



Westonaria Local Municipality  
Annual Financial Statements  
for the year ended June 30, 2015

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## General Information

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<b>Legal form of entity</b>	Local municipality
<b>The following is included in the scope of operation</b>	Service delivery Municipal Finance Management Act (No. 56 of 2003)
<b>Grading of local authority</b>	Medium Capacity (level 8) GT483
<b>Speaker</b>	Cllr S Monoane
<b>Mayoral committee</b> Executive Mayor Councillors	Cllr N. Tundzi-Hawu Cllr T.A Mncube (MMC Public Safety) Cllr T. Sigwetshe (MMC Corporate) Ward 11 Cllr A. Gela (MMC Health and Social Development) Cllr A. Ntshiba (MMC Finance) Cllr M. Mkhumbuzi (MMC IDP) Cllr S Khenene (MMC Human settlements)
<b>Ward Coucillors</b>	Cllr M. Ngamtwini (Ward 1) Cllr M. Jokazi (Ward 2) Cllr A. Sityebi (Ward 3) Cllr P. Mkhugekwana (Ward 5) Cllr P. De Jager (Ward 6) Cllr N.Dyase (Ward 7) Cllr E. Molatlhwa (Ward 8) Cllr S. Kolo (Ward 9) Cllr TS. Mngomezulu (Ward 10) Cllr D. Mampe (Ward 12) Cllr I. Merabe (Ward 13) Cllr K. Ncele (Ward 14) Cllr T.A. Mncube (Ward 15) Cllr G. Khoza (Ward 16)
<b>PR. Councillors</b>	Cllr S. Ngweventsha Cllr T. Nkwatheni Cllr M. Mthimkhulu Cllr N. Baza Cllr V. Lwabi Cllr D. Molebatsi Cllr D. Ndzipho Cllr V. Graan Cllr J. Letlhake Cllr C. Turner Cllr C. Seitheiso
<b>Accounting Officer</b>	T. C. Ndlovu
<b>Chief Finance Officer (CFO)</b>	V.B. Mkhafa
<b>Registered office</b>	Corner Neptune and Saturnus Civic Centre Westonaria 1780

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## General Information

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<b>Business address</b>	Corner Neptune and Saturnus Civic Centre Westonaria 1780
<b>Postal address</b>	P. O. Box 19 Westonaria 1780
<b>Bankers</b>	ABSA Public Sector
<b>Auditors</b>	Auditor-General South Africa
<b>Attorneys</b>	Ben Van Niekerk In-house (Legal department)

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

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### Abbreviations

EPWP	Expanded Public Works Programme
FMG	Finance Management Grant
DBSA	Development Bank of Southern Africa
ISDG	Infrastructure Skills Development Grant
GRAP	Generally Recognised Accounting Practice
MSIG	Municipal Systems Improvement Grant
GPDSACR	Gauteng Province Department of Sports, Arts, Culture and Recreation
WLM	Westonaria Local Municipality
SDL	Skills Development Levy
PAD	Personnel Advance Payment
SALA	South African Local Authorities
MFMA	Municipal Finance Management Act 56 of 2003
MIG	Municipal Infrastructure Grant
DAC	Department of Arts and Culture
SALGA	South African Local Government Association
UIF	Unemployment Insurance Fund

# **Westonaria Local Municipality**

Annual Financial Statements for the year ended June 30, 2015

## **Accounting Officer's Responsibilities and Approval**

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The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors were engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to June 30, 2016 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on pages 6 to 76, which have been prepared on the going concern basis, were approved by the accounting officer on August 31, 2015 and were signed on its behalf by:

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**T. C. Ndlovu**  
**Municipal manager**

**Westonaria**  
**Monday, August 31, 2015**

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Officer's Report

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The accounting officer submits his report for the year ended June 30, 2015.

### 1. Review of activities

#### Main business and operations

##### Proportion of income and loss attributable to various classes of business:

#### 2015

Classes of business	Proportion of contribution to income
Electricity	12 %
Water	19 %
Sewerage purification	3 %
Refuse removal	2 %

#### 2014

Classes of business	Proportion of contribution to income
Electricity	16 %
Water	23 %
Sewerage purification	4 %
Refuse removal	1 %

### 2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

### 3. Subsequent events

The accounting officer is not aware of any matter or circumstance arising since the end of the financial year.

### 4. Accounting policies

The annual financial statements were prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

### 5. Non-current assets

Details of major changes in the nature of the non-current assets of the municipality during the year are set out in notes 9, 10 and 11 of the financials. There were no changes in the policy relating to the use of non-current assets.

### 6. Secretary

The secretarial function was performed by the department of Corporate Services.

### 7. Bankers

ABSA Bank, Westonaria branch

### 8. Auditors

Auditor-General South Africa will continue in office for the next financial period.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Statement of Financial Position as at June 30, 2015

Figures in Rand	Note(s)	2015	2014 Restated*
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	7,296,987	24,627,906
Trade receivables from exchange transactions	4	59,930,705	45,888,996
Trade receivables from non-exchange transactions	5	13,459,095	8,497,142
Other receivables from exchange transactions	6	821,886	2,925,820
Other receivables from non-exchange transactions	7	1,776,415	6,579,472
Inventories	8	1,100,411	1,165,416
		<b>84,385,499</b>	<b>89,684,752</b>
<b>Non-Current Assets</b>			
Investment property	9	113,246,770	113,246,770
Property, plant and equipment	10	1,258,602,604	1,260,416,126
Work-in-progress	10	63,091,345	62,267,649
Intangible assets	11	1,738,120	1,854,545
		<b>1,436,678,839</b>	<b>1,437,785,090</b>
<b>Total Assets</b>		<b>1,521,064,338</b>	<b>1,527,469,842</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Bank overdraft	3	6,534,376	16,026,767
Payables from exchange transactions	12	115,669,286	128,754,317
Unspent conditional grants and receipts	13	-	16,716,459
VAT payable	14	6,616,154	2,578,584
Consumer deposits	15	3,084,107	10,060,332
Provisions	16	11,047,739	10,045,814
Employee benefit obligation	18	2,067,925	2,311,860
Long-term loans	19	5,444,981	7,826,370
		<b>150,464,568</b>	<b>194,320,503</b>
<b>Non-Current Liabilities</b>			
Provisions	16	43,600,650	41,113,883
Employee benefit obligation	18	88,144,075	84,597,140
Long-term loans	19	7,274,356	11,300,112
		<b>139,019,081</b>	<b>137,011,135</b>
<b>Total Liabilities</b>		<b>289,483,649</b>	<b>331,331,638</b>
<b>Net Assets</b>		<b>1,231,580,689</b>	<b>1,196,138,204</b>
Accumulated surplus		1,231,580,689	1,196,138,204



# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Statement of Financial Performance

Figures in Rand	Note(s)	2015	2014 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Income from agency services	20	6,892,446	5,728,893
Interest on investments	20	1,539,451	1,211,552
Service charges	22	273,757,670	213,049,950
Fees earned	23	357,131	402,893
Other income	24	2,289,171	2,135,177
Rental of facilities and equipment		973,213	354,731
Licences and permits		29,022	263
Interest on outstanding receivables		-	5,342,868
Reversal of impairment	10	843,036	-
<b>Total revenue from exchange transactions</b>		<b>286,681,140</b>	<b>228,226,327</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	21	265,311,461	27,647,144
<b>Transfer revenue</b>			
Public contributions and donations	25	8,087,527	5,685,382
Government grants and subsidies	26	200,648,170	190,054,182
Fines	27	2,877,143	23,578,357
<b>Total revenue from non-exchange transactions</b>		<b>476,924,301</b>	<b>246,965,065</b>
<b>Total revenue</b>	20	<b>763,605,441</b>	<b>475,191,392</b>
<b>Expenditure</b>			
Employee related cost	29	(134,193,931)	(125,492,277)
Remuneration of councillors	30	(10,723,798)	(10,215,718)
Depreciation and amortisation	31	(68,915,600)	(52,445,598)
Finance costs	32	(10,815,712)	(12,255,100)
Debt impairment	33	(231,043,393)	(57,928,451)
Bulk purchases	34	(184,158,909)	(182,409,452)
Contracted services	35	(21,174,014)	(21,221,765)
Write offs	36	(20,225,670)	(33,270,088)
Impairment loss	37	(1,130,156)	(843,035)
General expenses	38	(40,842,278)	(30,413,490)
Interest cost		(8,689,343)	(6,680,432)
Repairs and maintenance		(5,638,803)	(5,439,989)
Internal charges		(2,517,316)	(11,690,069)
Collection costs		(35,120)	(4,631,226)
<b>Total expenditure</b>		<b>(740,104,043)</b>	<b>(554,936,690)</b>
<b>Operating surplus (deficit)</b>	39	<b>23,501,398</b>	<b>(79,745,298)</b>
Gain on disposal of assets and liabilities		4,077,015	-
Actuarial losses	18	7,864,075	(4,510,860)
Fair value adjustments	40	-	30,030,583
		<b>11,941,090</b>	<b>25,519,723</b>
<b>Surplus (deficit) for the year</b>		<b>35,442,488</b>	<b>(54,225,575)</b>

## Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

### Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
<b>Balance at July 01, 2013</b>	<b>1,250,363,779</b>	<b>1,250,363,779</b>
Changes in net assets		
Deficit for the year	(54,225,575)	(54,225,575)
Total changes	(54,225,575)	(54,225,575)
Opening balance as previously reported	1,169,835,600	1,169,835,600
Adjustments		
Prior year adjustments (Refer to note 46)	26,302,601	26,302,601
<b>Restated* Balance at July 01, 2014 as restated*</b>	<b>1,196,138,201</b>	<b>1,196,138,201</b>
Changes in net assets		
Surplus for the year	35,442,488	35,442,488
Total changes	35,442,488	35,442,488
<b>Balance at June 30, 2015</b>	<b>1,231,580,689</b>	<b>1,231,580,689</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Cash Flow Statement

Figures in Rand	Note(s)	2015	2014 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		355,395,008	325,733,194
Grants		183,131,650	203,394,390
Interest income		1,539,451	1,211,552
Public contributions and donations		1,307,000	5,685,382
Other receipts		2,289,172	2,135,176
Consumer deposits		569,260	-
		<u>544,231,541</u>	<u>538,159,694</u>
<b>Payments</b>			
Employee costs		(141,941,566)	(131,596,234)
Suppliers		(319,199,051)	(313,920,749)
Finance costs		(10,815,712)	(12,255,100)
		<u>(471,956,329)</u>	<u>(457,772,083)</u>
<b>Net cash flows from operating activities</b>	42	<u><b>72,275,212</b></u>	<u><b>80,387,611</b></u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	10	(77,776,571)	(64,772,186)
Proceeds from sale of property, plant and equipment	10	4,077,015	-
Purchase of other intangible assets	11	(7,039)	-
<b>Net cash flows from investing activities</b>		<u><b>(73,706,595)</b></u>	<u><b>(64,772,185)</b></u>
<b>Cash flows from financing activities</b>			
Repayment of long-term loans		(6,407,145)	(7,773,765)
<b>Net cash flows from financing activities</b>		<u><b>(6,407,145)</b></u>	<u><b>(7,773,765)</b></u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u><b>(7,838,528)</b></u>	<u><b>7,841,661</b></u>
Cash and cash equivalents at the beginning of the year		8,601,139	759,478
<b>Cash and cash equivalents at the end of the year</b>	3	<u><b>762,611</b></u>	<u><b>8,601,139</b></u>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Service charges	229,296,000	20,828,000	<b>250,124,000</b>	273,757,670	<b>23,633,670</b>	Appendix G3
Rental of facilities and equipment	423,000	(244,000)	<b>179,000</b>	973,213	<b>794,213</b>	Appendix G3
Income from agency services	5,886,000	(5,886,000)	-	6,892,446	<b>6,892,446</b>	Appendix G3
Licences and permits	5,500,000	(5,500,000)	-	29,022	<b>29,022</b>	Appendix G3
Fees earned	-	-	-	357,131	<b>357,131</b>	Appendix G3
Other income	37,173,000	(1,208,000)	<b>35,965,000</b>	2,289,171	<b>(33,675,829)</b>	Appendix G3
Reversal of impairment	-	-	-	843,036	<b>843,036</b>	
Interest- outstanding receivables	500,000	-	<b>500,000</b>	1,539,451	<b>1,039,451</b>	
<b>Total revenue from exchange transactions</b>	<b>278,778,000</b>	<b>7,990,000</b>	<b>286,768,000</b>	<b>286,681,140</b>	<b>(86,860)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Taxation revenue</b>						
Property rates	62,195,000	141,000,000	<b>203,195,000</b>	265,311,461	<b>62,116,461</b>	Appendix G3
Government grants & subsidies	125,884,000	300,000	<b>126,184,000</b>	200,648,170	<b>74,464,170</b>	Appendix G3
<b>Transfer revenue</b>						
Public contributions and donations	-	-	-	8,087,527	<b>8,087,527</b>	Appendix G3
Fines	7,400,000	(414,000)	<b>6,986,000</b>	2,877,143	<b>(4,108,857)</b>	Appendix G3
<b>Total revenue from non-exchange transactions</b>	<b>195,479,000</b>	<b>140,886,000</b>	<b>336,365,000</b>	<b>476,924,301</b>	<b>140,559,301</b>	
<b>Total revenue</b>	<b>474,257,000</b>	<b>148,876,000</b>	<b>623,133,000</b>	<b>763,605,441</b>	<b>140,472,441</b>	
<b>Expenditure</b>						
Personnel	(136,495,000)	-	<b>(136,495,000)</b>	(134,193,931)	<b>2,301,069</b>	Appendix G3
Remuneration of councillors	(11,626,000)	-	<b>(11,626,000)</b>	(10,723,798)	<b>902,202</b>	Appendix G3
Internal charges	-	-	-	(2,517,316)	<b>(2,517,316)</b>	Appendix G3
Depreciation and amortisation	(117,500,000)	-	<b>(117,500,000)</b>	(68,915,600)	<b>48,584,400</b>	Appendix G3
Impairment loss/ Reversal of impairments	-	-	-	(1,130,156)	<b>(1,130,156)</b>	
Finance costs	(1,836,000)	(3,766,000)	<b>(5,602,000)</b>	(10,815,712)	<b>(5,213,712)</b>	Appendix G3
Debt impairment	(75,000,000)	-	<b>(75,000,000)</b>	(231,043,393)	<b>(156,043,393)</b>	Appendix G3
Collection costs	-	-	-	(35,120)	<b>(35,120)</b>	Appendix G3
Repairs and maintenance	(13,917,000)	(2,000,000)	<b>(15,917,000)</b>	(5,638,803)	<b>10,278,197</b>	Appendix G3
Bulk purchases	(173,807,000)	(6,638,000)	<b>(180,445,000)</b>	(184,158,909)	<b>(3,713,909)</b>	Appendix G3
Contracted services	(14,900,000)	(5,000,000)	<b>(19,900,000)</b>	(21,174,014)	<b>(1,274,014)</b>	Appendix G3
Interest paid on late payments	-	-	-	(8,689,343)	<b>(8,689,343)</b>	Appendix G3
Write offs	-	-	-	(20,225,670)	<b>(20,225,670)</b>	Appendix G3
General expenses	(24,815,000)	23,326,000	<b>(1,489,000)</b>	(40,842,278)	<b>(39,353,278)</b>	Appendix G3
<b>Total expenditure</b>	<b>(569,896,000)</b>	<b>5,922,000</b>	<b>(563,974,000)</b>	<b>(740,104,043)</b>	<b>(176,130,043)</b>	
<b>Operating surplus</b>	<b>(95,639,000)</b>	<b>154,798,000</b>	<b>59,159,000</b>	<b>23,501,398</b>	<b>(35,657,602)</b>	

## Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

### Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Gain on disposal of assets and liabilities	-	-	-	4,077,015	<b>4,077,015</b>	
Actuarial gains/ losses	-	-	-	7,864,075	<b>7,864,075</b>	Appendix G3
	-	-	-	<b>11,941,090</b>	<b>11,941,090</b>	
<b>Surplus before taxation</b>	<b>(95,639,000)</b>	<b>154,798,000</b>	<b>59,159,000</b>	<b>35,442,488</b>	<b>(23,716,512)</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>(95,639,000)</b>	<b>154,798,000</b>	<b>59,159,000</b>	<b>35,442,488</b>	<b>(23,716,512)</b>	

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Position</b>						
<b>Assets</b>						
<b>Current Assets</b>						
Inventories	1,069,000	-	<b>1,069,000</b>	1,100,411	<b>31,411</b>	Note 8
Other receivables from exchange transactions	-	-	-	821,886	<b>821,886</b>	Note 6
Other receivables from non-exchange transactions	-	-	-	1,776,415	<b>1,776,415</b>	Note 7
Trade receivables from exchange transactions	6,294,000	21,337,000	<b>27,631,000</b>	59,930,705	<b>32,299,705</b>	Note 4
Trade receivables from non-exchange transactions	30,000,000	190,000,000	<b>220,000,000</b>	13,459,095	<b>(206,540,905)</b>	Note 5
Cash and cash equivalents	5,500,000	22,299,000	<b>27,799,000</b>	7,296,987	<b>(20,502,013)</b>	Appendix G5
	<b>42,863,000</b>	<b>233,636,000</b>	<b>276,499,000</b>	<b>84,385,499</b>	<b>(192,113,501)</b>	
<b>Non-Current Assets</b>						
Work-in-progress	120,000,000	-	<b>120,000,000</b>	63,091,345	<b>(56,908,655)</b>	Appendix B
Investment property	72,375,000	(2,231,000)	<b>70,144,000</b>	113,246,770	<b>43,102,770</b>	Appendix B
Property, plant and equipment	1,272,303,000	-	<b>1,272,303,000</b>	1,258,602,604	<b>(13,700,396)</b>	Appendix B
Intangible assets	-	-	-	1,738,120	<b>1,738,120</b>	Appendix B
	<b>1,464,678,000</b>	<b>(2,231,000)</b>	<b>1,462,447,000</b>	<b>1,436,678,839</b>	<b>(25,768,161)</b>	
<b>Total Assets</b>	<b>1,507,541,000</b>	<b>231,405,000</b>	<b>1,738,946,000</b>	<b>1,521,064,338</b>	<b>(217,881,662)</b>	
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Long-term loans	7,395,000	-	<b>7,395,000</b>	5,444,981	<b>(1,950,019)</b>	Appendix A
Payables from exchange transactions	32,500,000	-	<b>32,500,000</b>	115,669,294	<b>83,169,294</b>	Note 12
VAT payable	-	-	-	6,616,154	<b>6,616,154</b>	Note 54
Consumer deposits	3,182,000	-	<b>3,182,000</b>	3,084,107	<b>(97,893)</b>	Note 14
Employee benefit obligation	-	-	-	2,067,925	<b>2,067,925</b>	Note 17
Provisions	5,826,000	(2,164,000)	<b>3,662,000</b>	11,047,739	<b>7,385,739</b>	Note 15
Bank overdraft	17,869,000	(17,869,000)	-	6,534,376	<b>6,534,376</b>	Appendix G5
	<b>66,772,000</b>	<b>(20,033,000)</b>	<b>46,739,000</b>	<b>150,464,576</b>	<b>103,725,576</b>	
<b>Non-Current Liabilities</b>						
Long-term loans	15,400,000	-	<b>15,400,000</b>	7,274,356	<b>(8,125,644)</b>	Appendix A
Employee benefit obligation	-	-	-	88,144,075	<b>88,144,075</b>	Note 17
Provisions	34,268,000	-	<b>34,268,000</b>	43,600,650	<b>9,332,650</b>	Note 15
	<b>49,668,000</b>	-	<b>49,668,000</b>	<b>139,019,081</b>	<b>89,351,081</b>	
<b>Total Liabilities</b>	<b>116,440,000</b>	<b>(20,033,000)</b>	<b>96,407,000</b>	<b>289,483,657</b>	<b>193,076,657</b>	
<b>Net Assets</b>	<b>1,391,101,000</b>	<b>251,438,000</b>	<b>1,642,539,000</b>	<b>1,231,580,681</b>	<b>(410,958,319)</b>	

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Net Assets</b>						
<b>Net Assets Attributable to Owners of Controlling Entity</b>						
<b>Reserves</b>						
Accumulated surplus	1,391,101,000	251,438,000	<b>1,642,539,000</b>	1,231,580,692	<b>(410,958,308)</b>	
	<b>1,391,101,000</b>	<b>251,438,000</b>	<b>1,642,539,000</b>	<b>1,231,580,692</b>	<b>(410,958,308)</b>	
	-	-	-	(11)	(11)	
<b>Total Net Assets</b>	<b>1,391,101,000</b>	<b>251,438,000</b>	<b>1,642,539,000</b>	<b>1,231,580,681</b>	<b>(410,958,319)</b>	

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Sale of goods and services	313,341,000	725,000	<b>314,066,000</b>	355,395,008	<b>41,329,008</b>	Appendix G5
Grants	193,333,000	300,000	<b>193,633,000</b>	183,131,650	<b>(10,501,350)</b>	Appendix G5
Interest income	500,000	236,000	<b>736,000</b>	1,539,451	<b>803,451</b>	Appendix G5
Public contributions and donations	-	-	-	1,307,000	<b>1,307,000</b>	Appendix G5
Other income	-	-	-	2,289,172	<b>2,289,172</b>	Appendix G5
Consumer deposits	343,000	-	<b>343,000</b>	569,260	<b>226,260</b>	Appendix G5
	<b>507,517,000</b>	<b>1,261,000</b>	<b>508,778,000</b>	<b>544,231,541</b>	<b>35,453,541</b>	
<b>Payments</b>						
Employee costs	(148,121,000)	-	<b>(148,121,000)</b>	(141,941,566)	<b>6,179,434</b>	Appendix G5
Suppliers	(290,439,000)	38,584,000	<b>(251,855,000)</b>	(319,199,051)	<b>(67,344,051)</b>	Appendix G5
Finance costs	(1,836,000)	-	<b>(1,836,000)</b>	(10,815,712)	<b>(8,979,712)</b>	Appendix G5
	<b>(440,396,000)</b>	<b>38,584,000</b>	<b>(401,812,000)</b>	<b>(471,956,329)</b>	<b>(70,144,329)</b>	
<b>Net cash flows from operating activities</b>	<b>67,121,000</b>	<b>39,845,000</b>	<b>106,966,000</b>	<b>72,275,212</b>	<b>(34,690,788)</b>	
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(84,209,000)	4,332,000	<b>(79,877,000)</b>	(77,776,571)	<b>2,100,429</b>	Appendix G5
Proceeds from sale of property, plant and equipment	-	-	-	4,077,015	<b>4,077,015</b>	
Purchase of other intangible assets	-	-	-	(7,039)	<b>(7,039)</b>	Appendix G5
<b>Net cash flows from investing activities</b>	<b>(84,209,000)</b>	<b>4,332,000</b>	<b>(79,877,000)</b>	<b>(73,706,595)</b>	<b>6,170,405</b>	
<b>Cash flows from financing activities</b>						
Repayment of long-term loans	(7,395,000)	-	<b>(7,395,000)</b>	(6,407,145)	<b>987,855</b>	Appendix G5
Net increase/(decrease) in cash and cash equivalents	(24,483,000)	44,177,000	<b>19,694,000</b>	(7,838,528)	<b>(27,532,528)</b>	
Cash and cash equivalents at the beginning of the year	6,614,000	842,000	<b>7,456,000</b>	8,601,139	<b>1,145,139</b>	Appendix G5
<b>Cash and cash equivalents at the end of the year</b>	<b>(17,869,000)</b>	<b>45,019,000</b>	<b>27,150,000</b>	<b>762,611</b>	<b>(26,387,389)</b>	



# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
<b>2015</b>											
<b>Financial Performance</b>											
Property rates	62,195,000	141,000,000	203,195,000	-		203,195,000	265,311,461		62,116,461	131 %	427 %
Service charges	229,296,000	20,828,000	250,124,000	-		250,124,000	273,757,670		23,633,670	109 %	119 %
Investment revenue	500,000	-	500,000	-		500,000	1,539,451		1,039,451	308 %	308 %
Transfers recognised - operational	125,884,000	300,000	126,184,000	-		126,184,000	131,535,170		5,351,170	104 %	104 %
Other own revenue	56,382,000	(13,252,000)	43,130,000	-		43,130,000	18,338,177		(24,791,823)	43 %	33 %
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>474,257,000</b>	<b>148,876,000</b>	<b>623,133,000</b>	<b>-</b>		<b>623,133,000</b>	<b>690,481,929</b>		<b>67,348,929</b>	<b>111 %</b>	<b>146 %</b>
Employee costs	(136,495,000)	-	(136,495,000)	-	-	(136,495,000)	(134,193,931)	-	2,301,069	98 %	98 %
Remuneration of councillors	(11,626,000)	-	(11,626,000)	-	-	(11,626,000)	(10,723,798)	-	902,202	92 %	92 %
Debt impairment	(75,000,000)	-	(75,000,000)			(75,000,000)	(231,043,393)	(156,043,393)	(156,043,393)	308 %	308 %
Depreciation and asset impairment	(117,500,000)	-	(117,500,000)			(117,500,000)	(70,045,756)	-	47,454,244	60 %	60 %
Finance charges	(1,836,000)	(3,766,000)	(5,602,000)	-	-	(5,602,000)	(10,815,712)	(5,213,712)	(5,213,712)	193 %	589 %
Materials and bulk purchases	(174,262,000)	(6,638,000)	(180,900,000)	-	-	(180,900,000)	(184,158,909)	(5,066,361)	(3,258,909)	102 %	106 %
Interest cost	-	-	-	-	-	-	(8,689,343)	(8,689,343)	(8,689,343)	DIV/0 %	DIV/0 %
Other expenditure	(53,177,000)	16,326,000	(36,851,000)	-	-	(36,851,000)	(90,433,201)	(50,433,483)	(53,582,201)	245 %	170 %
<b>Total expenditure</b>	<b>(569,896,000)</b>	<b>5,922,000</b>	<b>(563,974,000)</b>	<b>-</b>	<b>-</b>	<b>(563,974,000)</b>	<b>(740,104,043)</b>	<b>(225,446,292)</b>	<b>(176,130,043)</b>	<b>131 %</b>	<b>130 %</b>
<b>Surplus/(Deficit)</b>	<b>(95,639,000)</b>	<b>154,798,000</b>	<b>59,159,000</b>	<b>-</b>		<b>59,159,000</b>	<b>(49,622,114)</b>		<b>(108,781,114)</b>	<b>(84)%</b>	<b>52 %</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	-	-	-	-	-	-	69,113,000	-	69,113,000	DIV/0 %	DIV/0 %
Public contributions and donations	-	-	-	-	-	-	8,087,527	-	8,087,527	DIV/0 %	DIV/0 %
<b>Surplus (Deficit) after capital transfers and contributions</b>	<b>(95,639,000)</b>	<b>154,798,000</b>	<b>59,159,000</b>	<b>-</b>	<b>-</b>	<b>59,159,000</b>	<b>27,578,413</b>	<b>-</b>	<b>(31,580,587)</b>	<b>47 %</b>	<b>(29)%</b>
Actuarial gains/ losses	-	-	-	-	-	-	(7,864,075)	-	(7,864,075)	DIV/0 %	DIV/0 %
<b>Surplus/(Deficit) for the year</b>	<b>(95,639,000)</b>	<b>154,798,000</b>	<b>59,159,000</b>	<b>-</b>	<b>-</b>	<b>59,159,000</b>	<b>35,442,488</b>	<b>-</b>	<b>(23,716,512)</b>	<b>60 %</b>	<b>(37)%</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Appropriation Statement

Figures in Rand

	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
<b>2014</b>				
<b>Financial Performance</b>				
Property rates				27,647,144
Service charges				213,049,950
Investment revenue				1,211,552
Transfers recognised - operational				117,224,870
Other own revenue				67,573,765
<b>Total revenue (excluding capital transfers and contributions)</b>				<b>426,707,281</b>
Employee costs	-	-	-	(125,492,277)
Remuneration of councillors	-	-	-	(10,215,718)
Debt impairment	-	-	-	(57,928,451)
Depreciation and asset impairment	-	-	-	(53,288,633)
Finance charges	-	-	-	(12,255,100)
Materials and bulk purchases	-	-	-	(182,409,452)
Transfers and grants	-	-	-	(6,680,432)
Other expenditure	-	-	-	(106,666,627)
<b>Total expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(554,936,690)</b>
<b>Surplus/(Deficit)</b>				<b>(128,229,409)</b>
Transfers recognised - capital				72,829,312
Public contributions and donations				5,685,382
<b>Surplus (Deficit) after capital transfers and contributions</b>				<b>(49,714,715)</b>
Actuarial gains/ losses				4,510,860
<b>Surplus/(Deficit) for the year</b>				<b>(54,225,575)</b>
<b>Capital expenditure and funds sources</b>				

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Appropriation Statement

Figures in Rand

	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
<b>Cash flows</b>				
Net cash from (used) operating				80,387,611
Net cash from (used) investing				(64,772,185)
Net cash from (used) financing				(7,773,765)
<b>Net increase/(decrease) in cash and cash equivalents</b>				<b>7,841,661</b>
Cash and cash equivalents at the beginning of the year				759,478
<b>Cash and cash equivalents at year end</b>				<b>8,601,139</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives, issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

#### 1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality. All financial information presented in Rand has been rounded to the nearest rand.

#### 1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

#### 1.3 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

##### Trade and other receivables

The municipality assesses its trade and other receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the municipality makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

##### Allowance for slow moving stock

An allowance for stock to write stock down to the lower of cost or net realisable value. Management assess the slow moving stock at year-end. The write down is included in the operation surplus note. The municipality has classified slow moving stock as stock which has no movement for at least 12 months..

##### Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

Value in use of non-cash generating assets:

The Municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

##### Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.3 Significant judgements and sources of estimation uncertainty (continued)

#### Useful lives of property, plant and equipment and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and other assets. This estimate is based on industry norm. This estimate is based on the pattern in which an asset's future economic benefits or service potential are expected to be consumed by the municipality.

#### Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

The municipality determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the medical aid and long service award obligations. The most appropriate discount rate that reflects the time value of money is with reference to market yields at the reporting date on government bonds. Where there is no deep market in government bonds with a sufficiently long maturity to match the estimated maturity of all the estimates the discount rate for longer maturities by extrapolating current market rates along the yield curve.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 18.

#### Effective interest rate

The municipality used the prime interest rate to discount future cash flows.

#### Allowance for impairment

For receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

### 1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals, for undetermined use or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

#### Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one reporting period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost or fair value of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or assets, or a combination of assets and non-monetary assets, the asset acquired is initially measured at fair value (the cost). Unless the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Average useful life
Land	Not depreciated/ indefinite use
Buildings	
• Civil structure	15-50 years
• Building elements	5-60 years
Furniture and equipment	
• Furniture and fixtures	4-12 years
• Office equipment	3-15 years
• Plant and equipment	2-12 years
Transport assets	3-12 years
IT equipment	3-10 years
Sports facilities	15-30 years
Service connections (on site)	10-50 years
External improvements	10-50 years
Rail network	
• Rail lines	12-50 years
• Earthworks	100 years
• Rail furniture	7-20 years

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.5 Property, plant and equipment (continued)

Water network

- Pipe-work 10-80 years

Electricity network

- HV Conductors 50 years
- HV Substation 45-50 years
- MV Conductors 45-50 years
- MV Substation 45 years
- MV Switchgear 45 years
- MV Transformer 45 years
- LV Conductors 45-60 years
- Public Lighting 45 years
- Municipality Service Connection 20-50 years

Plant and machinery

- Mechanical plant 10-20 years
- Electrical plant 15-30 years

Roads and storm water

- Pavements 5-80 years
- Earthworks 50-100 years
- Road drainage 5-50 years
- Road furniture 2-20 years
- Storm-water conveyance 30-60 years

The residual value, the useful life and depreciation method of each asset are reviewed at least at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the municipality to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Compensation from third parties for an item of property, plant and equipment that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

### 1.6 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the municipality and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the municipality intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

Intangible assets are initially recognised at cost.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- the cost or fair value of the asset can be measured reliably.



# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.6 Intangible assets (continued)

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired at no cost or for a nominal cost, its initial cost at the date of acquisition is measured at its fair value as at that date.

Subsequent to initial measurement intangible assets are carried at cost less any accumulated amortisation and any impairment losses. An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, other	3 years
Servitudes	Indefinite

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

### 1.7 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.7 Impairment of non-cash-generating assets (continued)

#### Value in use

Value in use of non-cash-generating assets is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived.

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The municipality has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

<b>Class</b>	<b>Category</b>
Receivables from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The municipality has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

<b>Class</b>	<b>Category</b>
Payables from exchange transactions	Financial asset measured at amortised cost
Bank overdraft	Financial asset measured at amortised cost

The municipality recognises a financial asset or a financial liability in its statement of financial position when the municipality becomes party to the contractual provisions of the instrument.

The municipality recognises financial assets using trade date accounting.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

#### Initial measurement of financial assets and financial liabilities

The municipality measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The municipality measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The municipality first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the municipality analyses a concessionary loan into its component parts and accounts for each component separately. The municipality accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Property rates taxes and Transfers), where it is the recipient of the loan.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.8 Financial instruments (continued)

#### Subsequent measurement of financial assets and financial liabilities

The municipality measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

#### Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the municipality establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

#### Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

### 1.9 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

The municipality is in a operating lease contracts and is a lessee.

Any contingent rents are recognised separately as an expense in the period which they are incurred.

#### Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability. The aggregate benefit of incentives is recognised as a reduction of rental expense in the period in which they are incurred.

### 1.10 Employee benefits

Employee benefits are all forms of consideration given by the municipality in exchange for service rendered by employees.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.10 Employee benefits (continued)

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the municipality recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The municipality recognise the expected cost of bonus, incentive and performance related payments when the municipality has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

#### Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which the municipality provides post-employment benefits for one or more employees. This relates to medical aid liability and long service award liability.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.10 Employee benefits (continued)

#### Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the municipality recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The municipality measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine the present value of defined benefit obligations with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- actuarial gains and losses;

The municipality uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an municipality shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an municipality shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.10 Employee benefits (continued)

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is [OR is not] presented as the net of the amount recognised for a reimbursement.

#### Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
  - those changes were enacted before the reporting date; or
  - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

### 1.11 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 44.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.11 Provisions and contingencies (continued)

#### Decommissioning, restoration and similar liability

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the municipality consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity test the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.7.
- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
  - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
  - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs

### 1.12 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The municipality recognise prepaid service charges as revenue when prepaid water and electricity is sold to a customer.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the municipality has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably

### 1.13 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.



# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.13 Revenue from non-exchange transactions (continued)

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

#### Property rates taxes

The municipality recognises an asset in respect of property rates taxes when the taxable event occurs and the asset recognition criteria are met. The taxable event for property tax is the passing of the date on which the tax is levied, or the period for which the tax is levied, if the tax is levied on a periodic basis.

Resources arising from property rates taxes satisfy the definition of an asset when the municipality controls the resources as a result of a past event (the taxable event) and expects to receive future economic benefits or service potential from those resources. Resources arising from taxes satisfy the criteria for recognition as an asset when it is probable that the inflow of resources will occur and their fair value can be reliably measured. The degree of probability attached to the inflow of resources is determined on the basis of evidence available at the time of initial recognition, which includes, but is not limited to, disclosure of the taxable event by the taxpayer.

#### Transfers

Apart from Services in kind, which are not recognised, the municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The municipality recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.13 Revenue from non-exchange transactions (continued)

#### Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. The Municipality recognize fines as revenue in terms of IGrap 1 when a fine is issued. Fines constitute both spot Fines and summonses. The municipality makes use of estimates to determine the amount of revenue that is entitled to collect. Where settlement discounts or reductions in the amount payable are offered, the municipality considers past history in assessing the likelihood of these discounts or reductions being taken up by debtors

Revenue from the issuing of fines shall be recognised when:

- (a) it is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- (b) the amount of the revenue can be measured reliably.

An estimate should be made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses should be recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued

#### Services in-kind

Services in-kind are not recognised.

#### Collection charges and penalties

Collection charges and penalty interest is recognised when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with the relevant legal requirements (if applicable)

#### Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement.

### 1.14 Other income

Interest income is recognised on a time-proportion basis using the effective interest method.

### 1.15 Value-added tax (VAT)

The municipality is registered with the South African Revenue Services (SARS) for VAT on the payment basis, in accordance with section 15(2) of the VAT Act (Act No. 89 of 1991).

### 1.16 Events after the reporting date

Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- a) those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date), and
- b) those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The municipality discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.18 Unauthorised expenditure

Unauthorised expenditure is that which has not been budgeted for; expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state, or expenditure in the form of a grant that is not permitted in terms of the MFMA (Act No. 56 of 2003).

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

Unauthorised expenditure is accounted for in the financial statements and, where recovered, is subsequently accounted for as revenue in the same statement.

### 1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

### 1.20 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's Supply Chain Management policy. Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

### 1.21 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by programmes linked to performance outcome objectives.

The approved budget covers the fiscal period from 7/1/2014 to 6/30/2015.

The annual financial statements and the budget are not on the same basis of accounting therefore a comparison of the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Accounting Policies

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### 1.22 Commitments

Commitments are not recognised in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- approved and contracted commitments
- where the expenditure has been approved and the contract has been awarded at the reporting date; and
- where disclosure is required by a specific standard of GRAP.

## Notes to the Annual Financial Statements

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Figures in Rand	2015	2014
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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the municipality has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 20: Related parties	April 01, 2014	30 June 2015
• GRAP 8 (as revised 2010): Interests in Joint Ventures	April 01, 2014	Not applicable

#### 2.2 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after July 01, 2015 or later periods:

The following standards and interpretations have been issued but are not yet effective, effective date beginning on or after 1 April 2014 which should have been disclosed in accordance with GRAP 3 par 31-32:

GRAP 5 (revised) and GRAP 100 (revised)

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

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### 2. New standards and interpretations (continued)

#### 2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after July 01, 2015 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 105: Transfers of functions between entities under common control	April 01, 2014	Not applicable
• GRAP 106: Transfers of functions between entities not under common control	April 01, 2014	Not applicable
• GRAP 107: Mergers	April 01, 2014	30 June 2017

### 3. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	24,571	44,541
Bank balances	6,471,004	5,646,069
Short-term deposits	801,412	18,937,296
Bank overdraft	(6,534,376)	(16,026,767)
	<u>762,611</u>	<u>8,601,139</u>
Current assets	7,296,987	24,627,906
Current liabilities	(6,534,376)	(16,026,767)
	<u>762,611</u>	<u>8,601,139</u>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand 2015 2014

### 3. Cash and cash equivalents (continued)

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book/ general ledger balances		
	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2015	June 30, 2014	June 30, 2013
ABSA Bank Westonaria - Primary bank account - 590-000-019	6,500,977	1,286,857	5,328,254	(6,534,376)	(16,026,766)	(6,150,021)
ABSA Bank - MIG account - 4077-044-564	56,223	-	924	56,223	57,327	924
ABSA Bank - Speed fines account - 4077-044-996	3,004	3,401	-	22,213	3,401	-
ABSA Bank - Licensing account - 9069-541-719	4,577,930	57,327	598,880	4,744,700	-	598,880
ABSA Bank - Debtors Account - 408-213-2336	-	-	-	1,647,868	3,485,674	-
ABSA Bank - Investment account - 9296-240-291	7,540	20,259,518	-	7,540	20,259,518	-
ABSA Bank - Investment account - 6304-469-100	8,777	8,730	6,292,625	8,777	8,730	6,292,625
ABSA Bank - Investment account - 1009-120-510	773	770	-	773	770	-
ABSA Bank - Investment account - 9054-399-870	29,196	28,963	-	29,196	28,963	-
ABSA Bank - Investment account - 9057-050-350	88,110	87,643	-	88,110	87,643	-
ABSA Bank - Investment account - 4082-131-607	172,067	173,057	-	172,067	173,057	-
FNB Bank - Investment account - 7100-1035-031	43,978	41,528	-	43,978	41,528	-
FNB Bank - Investment account - 7103-8284-304	56,182	56,182	-	56,182	56,182	-
FNB Bank - Investment account - 7103-8284-297	113,233	106,908	-	113,233	106,908	-
FNB Bank - Investment account- 7103-8605-740	25,768	24,541	-	25,768	24,541	-
NEDBANK - Investment account- 119-876-22	83,523	83,523	-	83,523	83,523	-
NEDBANK - Investment account- 197-708-42	51,915	51,915	-	53,127	51,915	-
NEDCOR - Investment Account- 118-128-75	52,555	51,418	-	55,062	51,418	-
Standard Bank - Investment account - 286-330-16	58,227	56,094	-	58,227	56,094	-
Standard Bank - Investment account - 328-634-174	5,849	5,748	-	5,849	5,748	-
Petty cash	22,571	44,541	17,070	24,571	44,545	17,070
<b>Total</b>	<b>11,958,398</b>	<b>22,428,664</b>	<b>12,237,753</b>	<b>762,611</b>	<b>8,600,719</b>	<b>759,478</b>

### 4. Trade receivables from exchange transactions

#### Gross balances

Electricity	29,604,929	15,469,238
Water	51,313,355	49,379,476
Sewerage	9,612,472	5,879,406
Refuse	15,633,203	9,656,928
Housing rental	2,041,460	1,812,889
Other (VAT, capital, interest, reconnection fees)	65,687,298	77,142,063
	<b>173,892,717</b>	<b>159,340,000</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>4. Trade receivables from exchange transactions (continued)</b>		
<b>Less: Allowance for impairment</b>		
Electricity	(15,445,951)	(6,257,971)
Water	(29,906,953)	(28,690,175)
Sewerage	(6,561,929)	(3,649,159)
Refuse	(11,278,322)	(6,005,594)
Housing rental	(1,690,949)	(1,125,202)
Other (VAT, capital, interest, reconnection)	(49,077,908)	(67,722,903)
	<b>(113,962,012)</b>	<b>(113,451,004)</b>
<b>Net balance</b>		
Electricity	14,158,978	9,211,267
Water	21,406,402	20,689,301
Sewerage	3,050,543	2,230,247
Refuse	4,354,881	3,651,334
Housing rental	350,511	687,687
Other (VAT, capital, interest, reconnection)	16,609,390	9,419,160
	<b>59,930,705</b>	<b>45,888,996</b>
<b>Electricity</b>		
Current (0 -30 days)	1,194,800	325,049
31 - 60 days	1,058,085	6,642,530
61 - 90 days	1,020,740	388,996
91 - 120 days	997,982	81,725
> 121 days	9,887,371	1,772,967
	<b>14,158,978</b>	<b>9,211,267</b>
<b>Water</b>		
Current (0 -30 days)	1,806,371	1,600,165
31 - 60 days	1,599,677	1,329,134
61 - 90 days	1,543,217	1,866,771
91 - 120 days	1,508,673	77,172
> 121 days	14,948,464	15,816,059
	<b>21,406,402</b>	<b>20,689,301</b>
<b>Sewerage</b>		
Current (0 -30 days)	257,419	-
31 - 60 days	227,964	188,220
61 - 90 days	219,918	112,426
91 - 120 days	214,995	103,595
> 121 days	2,130,247	1,826,006
	<b>3,050,543</b>	<b>2,230,247</b>
<b>Refuse</b>		
Current (0 -30 days)	367,485	163
31 - 60 days	325,436	259,805
61 - 90 days	313,949	189,163
91 - 120 days	306,922	177,715
> 121 days	3,041,089	3,024,488
	<b>4,354,881</b>	<b>3,651,334</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>4. Trade receivables from exchange transactions (continued)</b>		
<b>Housing rental</b>		
Current (0 -30 days)	29,578	-
31 - 60 days	26,193	8,406
61 - 90 days	25,269	8,058
91 - 120 days	24,703	7,929
> 121 days	244,768	663,294
	<b>350,511</b>	<b>687,687</b>
<b>Other (VAT, capital, interest, reconnection)</b>		
Current (0 -30 days)	1,260,454	117,156
31 - 60 days	1,116,227	256,180
61 - 90 days	1,076,830	173,209
91 - 120 days	1,052,725	145,838
> 121 days	12,103,154	8,726,777
	<b>16,609,390</b>	<b>9,419,160</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(113,451,004)	(96,955,169)
Contributions to allowance	(29,387,566)	(16,495,835)
Debt impairment written off against allowance	28,876,558	-
	<b>(113,962,012)</b>	<b>(113,451,004)</b>

### Trade receivables from exchange transactions impaired

As of June 30, 2015, trade receivables from exchange transactions of R 173,892,717 (2014: R 159,340,000) were impaired and provided for.

The amount of the provision was R 113,962,012 as of June 30, 2015 (2014: R 113,451,004).

The ageing of these debtors is as follows:

3 to 6 months	(18,689,781)	(23,926,051)
Over 6 months	(95,272,231)	(89,524,953)

### Receivables pledged as security

During the year no receivables were pledged as security.

### 5. Trade receivables from non-exchange transactions

Trade receivables from non-exchange transactions comprised of property rates. The significant increases during the year compared to prior year were due to the increase in mining property values.



# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>5. Trade receivables from non-exchange transactions (continued)</b>		
<b>Property rates</b>		
Property rates	222,214,387	29,953,263
Less: Allowance for impairment	(208,755,293)	(21,456,121)
	<b>13,459,094</b>	<b>8,497,142</b>
<b>Property rates</b>		
Current (0-30 days)	1,135,740	38,662
31-60 days	1,005,784	809,236
61-90 days	970,285	468,910
91-120 days	948,565	336,104
> 121 days	9,398,720	6,844,230
	<b>13,459,094</b>	<b>8,497,142</b>
<b>Reconciliation of allowance for impairment: non-exchange transactions</b>		
Balance at beginning of the year	(21,456,121)	(16,642,757)
Contributions to allowance	(187,299,172)	(4,813,364)
	<b>(208,755,293)</b>	<b>(21,456,121)</b>
<b>Trade receivables from non-exchange transactions impaired</b>		
As of June 30, 2015, trade receivables from exchange transactions of R222,214,387 (2014: R29,953,264) were impaired and provided for. The amount of the allowance for impairment was R208,755,293 as of June 30, 2015 (2014: R21,456,121).		
The ageing of these debtors is as follows:		
3 to 6 months	(60,951,002)	(4,223,426)
Over 6 months	(147,804,291)	(17,232,695)
	<b>(208,755,293)</b>	<b>(21,456,121)</b>
<b>6. Other receivables from exchange transactions</b>		
Salary debtors	-	71,499
Receivables	8,827,041	5,456,035
Allowance for impairment- receivables	(8,005,155)	(2,601,714)
	<b>821,886</b>	<b>2,925,820</b>
<b>Reconciliation of allowance for impairment: exchange transactions</b>		
Balance at beginning of the year	(2,601,714)	-
Contributions to allowance	(5,403,441)	(2,601,714)
	<b>(8,005,155)</b>	<b>(2,601,714)</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>7. Other receivables from non-exchange transactions</b>		
Fines debtors	25,808,223	23,576,908
Loans to employees (PAD accounts)	-	1,279,177
Allowance for impairment- non exchange	(24,031,808)	(18,276,613)
	<b>1,776,415</b>	<b>6,579,472</b>
<b>Reconciliation of allowance for impairment: non-exchange transactions</b>		
Balance at beginning of the year	(18,276,613)	(7,018,993)
Contributions to allowance	(5,755,195)	(11,257,620)
	<b>(24,031,808)</b>	<b>(18,276,613)</b>
<b>Fines debtors includes the following:</b>		
Camera speed fines	24,657,348	23,570,808
Manual traffic fines	1,150,875	6,100
	<b>25,808,223</b>	<b>23,576,908</b>

### Other receivables from non-exchange transactions impaired

As of June 30, 2015, other receivables from non-exchange transactions of R 25,808,223 (2014: R 23,576,908) were impaired and provided for.

The amount of the provision was R 24,031,808 as of June 30, 2015 (2014: R 18,276,613).

The ageing of these receivables are as follows:

3 to 6 months	(433,302)	(30,065)
Over 6 months	(23,598,506)	(18,246,548)

### 8. Inventories

Consumable stores- at cost	770,452	846,756
Water	329,959	318,660
	<b>1,100,411</b>	<b>1,165,416</b>

During the year no inventory was pledged as security.

### 9. Investment property

	2015			2014		
	Cost / Valuation	Fair value adjustment	Carrying value	Cost / Valuation	Fair value adjustment	Carrying value
Investment property	113,246,770	-	113,246,770	113,246,770	-	113,246,770

#### Reconciliation of investment property - 2015

	Opening balance	Total
Investment property	113,246,770	113,246,770

#### Reconciliation of investment property - 2014

	Opening balance	Stands not previously recognised	Derecognition of stands	Fair value adjustments	Total
Investment property	101,115,968	19,350,800	(37,250,581)	30,030,583	113,246,770

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 9. Investment property (continued)

#### Pledged as security

During the year no investment property was pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

#### Details of valuation

Valuations were performed by an independent valuer, Ian Smith from Evaluation Property Intelligence who holds National diploma in property valuations and has 20 years experience. Evaluation Property Intelligence is not connected to the municipality and have recent experience in location and category of the investment property being valued. Ian Smith is registered with South African Council Property Valuers.

The valuation was based on open market value for existing use.

The date of valuation is 1 October 2013.

These assumptions are based on current market conditions.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand 2015 2014

### 10. Property, plant and equipment

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	84,126,392	(48,795,948)	35,330,444	84,126,392	(46,185,941)	37,940,451
Housing (including land)	22,068,526	(18,732,325)	3,336,201	22,068,526	(18,218,850)	3,849,676
Community assets	607,007,995	(256,010,669)	350,997,326	595,585,471	(232,793,011)	362,792,460
Sports & recreational facilities (including land)	13,670,959	(882,255)	12,788,704	787,499	(450,092)	337,407
Capital spares	1,870,944	-	1,870,944	1,870,944	-	1,870,944
Electricity network	353,127,547	(223,904,896)	129,222,651	338,978,542	(217,519,972)	121,458,570
Rail network	958,041	-	958,041	958,041	-	958,041
Roads and stormwater network	709,771,440	(233,832,198)	475,939,242	705,433,942	(223,683,306)	481,750,636
Sanitation network	278,606,270	(165,982,163)	112,624,107	281,235,330	(164,301,131)	116,934,199
Water network	258,248,174	(142,807,786)	115,440,388	238,030,263	(128,319,088)	109,711,175
Furniture and fixtures	13,852,191	(6,879,959)	6,972,232	12,507,896	(5,570,214)	6,937,682
IT equipment	3,170,815	(1,476,580)	1,694,235	2,950,995	(1,286,001)	1,664,994
Motor vehicles	17,149,559	(10,182,251)	6,967,308	18,576,728	(9,187,175)	9,389,553
Library books	8,254,490	(3,793,709)	4,460,781	7,761,338	(2,941,000)	4,820,338
<b>Total</b>	<b>2,371,883,343</b>	<b>(1,113,280,739)</b>	<b>1,258,602,604</b>	<b>2,310,871,907</b>	<b>(1,050,455,781)</b>	<b>1,260,416,126</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Additions- Work in progress	Landfill site valuation	Transfers from WIP	Donations	Derecognitions / write offs	Depreciation	Impairment loss	Impairment reversal	Total
Land and Buildings	37,940,451	-	-	-	-	-	-	(2,557,250)	(52,757)	-	35,330,451
Housing (including land)	3,849,676	-	-	-	-	-	-	(513,475)	-	-	3,336,201
Community assets	362,792,460	-	8,961,624	2,992,761	(513,621)	-	(6,994)	(22,257,371)	(971,533)	-	350,997,346
Sports & recreational facilities (including land)	337,407	-	2,915,524	-	9,967,936	-	-	(432,163)	-	-	12,788,704
Capital spares	1,870,944	-	-	-	-	-	-	-	-	-	1,870,944
Electricity network	121,458,570	-	24,661,351	-	(10,269,402)	-	(67,600)	(6,454,402)	(105,866)	-	129,222,659
Rail network	958,041	-	-	-	-	-	-	-	-	-	958,041
Roads and Stormwater network	481,750,636	-	12,874,771	-	(12,874,770)	7,531,011	(519,137)	(12,823,269)	-	-	475,939,281
Sanitation network	116,934,199	-	16,403,305	-	(16,403,017)	-	(843,036)	(4,310,380)	-	843,036	112,624,117
Water network	109,711,175	-	9,458,392	-	10,759,521	-	-	(14,488,700)	-	-	115,440,388
Furniture and fixtures	6,937,682	1,444,918	-	-	-	-	(1,012)	(1,409,356)	-	-	6,972,242
IT equipment	1,664,994	524,902	-	-	-	49,516	(1,258)	(543,919)	-	-	1,694,243
Motor vehicles	9,389,553	-	-	-	-	-	(296,571)	(2,125,674)	-	-	6,967,308
Library books	4,820,338	531,784	-	-	-	-	(15,159)	(876,182)	-	-	4,460,781
	<b>1,260,416,126</b>	<b>2,501,604</b>	<b>75,274,967</b>	<b>2,992,761</b>	<b>(19,333,353)</b>	<b>7,580,527</b>	<b>(1,750,767)</b>	<b>(68,792,141)</b>	<b>(1,130,156)</b>	<b>843,036</b>	<b>1,258,602,602</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand

### 10. Property, plant and equipment (continued)

#### Reconciliation of property, plant and equipment - 2014

	Opening balance	Additions	Additions- Work in progress	Landfill site valuation	Transfers from WIP	Derecognitions / write offs	Depreciation	Impairment loss	Total
Land and Buildings	43,438,310	-	547,067	-	(547,066)	(3,335,318)	(2,162,542)	-	37,940,451
Housing (including land)	4,467,765	-	-	-	-	(63,738)	(554,351)	-	3,849,676
Community assets	369,579,275	-	6,585,197	5,073,459	(6,352,937)	(4,206,451)	(7,886,083)	-	362,792,460
Sports & recreational facilities (including land)	649,359	-	11,792,359	-	(10,483,119)	(664,340)	(956,852)	-	337,407
Capital spares	1,870,944	-	-	-	-	-	-	-	1,870,944
Electricity network	106,976,776	-	16,254,080	-	5,089,225	(410,171)	(6,451,340)	-	121,458,570
Rail network	958,041	-	-	-	-	-	-	-	958,041
Roads and Stormwater network	461,271,833	-	8,181,006	-	30,727,226	(82,617)	(18,346,812)	-	481,750,636
Sanitation network	140,692,113	-	5,879,631	-	(2,401,061)	(21,831,859)	(4,561,589)	(843,036)	116,934,199
Water network	88,477,544	-	13,761,896	-	14,536,968	(466,246)	(6,598,987)	-	109,711,175
Furniture and fixtures	7,232,144	753,928	-	-	-	-	(1,048,390)	-	6,937,682
IT equipment	1,500,029	518,839	-	-	-	(17,547)	(336,327)	-	1,664,994
Motor vehicles	11,893,318	-	-	-	-	-	(2,503,765)	-	9,389,553
Library books	5,237,929	498,183	-	-	-	-	(915,774)	-	4,820,338
	<b>1,244,245,380</b>	<b>1,770,950</b>	<b>63,001,236</b>	<b>5,073,459</b>	<b>30,569,236</b>	<b>(31,078,287)</b>	<b>(52,322,812)</b>	<b>(843,036)</b>	<b>1,260,416,126</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 10. Property, plant and equipment (continued)

#### Pledged as security

During the year no property, plant and equipment was pledged as security.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

#### Reconciliation of Capital work-in-progress: 2015

Category	Opening balance	Write off	Additions	Capitalise	Closing balance
Buildings	644,817	(123,426)	-	-	521,391
Electricity network	161,244	(165,940)	24,661,350	(14,391,948)	10,264,706
Community assets	7,672,128	(208,812)	8,961,624	(8,448,003)	7,976,937
Sports and recreation	12,919,370	46,493	2,915,524	(12,883,459)	2,997,928
Roads and stormwater	1,373,004	600,032	12,874,771	-	14,847,807
Wastewater network	23,012,870	(18,527,821)	16,403,305	-	20,888,354
Water network	16,300,852	36,848	9,458,392	(20,217,913)	5,578,179
Other	183,364	(167,286)	-	-	16,078
	<b>62,267,649</b>	<b>(18,509,912)</b>	<b>75,274,966</b>	<b>(55,941,323)</b>	<b>63,091,380</b>

#### Reconciliation of Capital work-in-progress: 2014

Category	Opening balance	Write off	Additions	Capitalise	Closing balance
Buildings	3,104,488	(2,981,062)	547,067	(25,676)	644,817
Electricity network	6,705,124	-	16,254,080	(22,797,960)	161,244
Community assets	1,086,931	-	6,585,197	-	7,672,128
Sports and recreation	3,368,995	-	11,792,359	(2,241,984)	12,919,370
Roads and stormwater	30,917,603	-	8,181,006	(37,725,605)	1,373,004
Wastewater network	67,599,786	(22,596,766)	5,879,631	(27,869,781)	23,012,870
Water network	6,571,487	-	13,761,896	(4,032,531)	16,300,852
Other	183,364	-	-	-	183,364
	<b>119,537,778</b>	<b>(25,577,828)</b>	<b>63,001,236</b>	<b>(94,693,537)</b>	<b>62,267,649</b>

### 11. Intangible assets

	2015			2014		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	375,395	(269,945)	105,450	392,056	(170,181)	221,875
Servitudes	1,632,670	-	1,632,670	1,632,670	-	1,632,670
<b>Total</b>	<b>2,008,065</b>	<b>(269,945)</b>	<b>1,738,120</b>	<b>2,024,726</b>	<b>(170,181)</b>	<b>1,854,545</b>

#### Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Computer software	221,875	7,039	(123,464)	105,450
Servitudes	1,632,670	-	-	1,632,670
	<b>1,854,545</b>	<b>7,039</b>	<b>(123,464)</b>	<b>1,738,120</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 11. Intangible assets (continued)

#### Reconciliation of intangible assets - 2014

	Opening balance	Amortisation	Total
Computer software	344,659	(122,784)	221,875
Servitudes	1,632,670	-	1,632,670
	<b>1,977,329</b>	<b>(122,784)</b>	<b>1,854,545</b>

#### Pledged as security

During the year no intangible assets were pledged as security.

### 12. Payables from exchange transactions

Trade payables	25,581,738	91,792,312
Eskom arrangement (long outstanding debt)	46,486,409	-
Unallocated deposit	5,359,906	5,432,359
Accrued expense (other)	34,880	128,620
Accrued expense (invoices not paid)	25,996,701	25,312,882
Salary creditors	3,582	90,076
Receivables with credit balances	2,885,463	1,789,481
Retention liability	9,314,440	4,201,994
Other deposits	6,167	6,593
	<b>115,669,286</b>	<b>128,754,317</b>

### 13. Unspent conditional grants and receipts

#### Unspent conditional grants and receipts comprises of:

##### Unspent conditional grants and receipts

Infrastructure Skills Development Grant	-	2,724,938
Municipal Infrastructure grant- capital	-	13,338,000
Provincial health subsidy	-	653,521
	<b>-</b>	<b>16,716,459</b>

#### Movement during the year

Balance at the beginning of the year	16,716,459	3,376,251
Additions during the year	183,131,650	203,394,390
Income recognition during the year	(199,848,109)	(190,054,182)
	<b>-</b>	<b>16,716,459</b>

See note 26 for reconciliation of grants from National/Provincial Government.

These amounts are invested in a ring-fenced investment until utilised.

### 14. VAT payable

Tax refunds payables	6,616,154	2,578,584
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## Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

### Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>15. Consumer deposits</b>		
Electricity and water	<u>3,084,107</u>	<u>10,060,332</u>
<b>Guarantees</b>		
Guarantees held in lieu of electricity and water deposits	<u>240,000</u>	<u>240,000</u>

The material decrease compared to the prior year relates to Simunye residents who were not charged deposit applications for municipal services. The deposits which accrued to them were subsequently reversed during 2014/2015 financial year.

Guarantees held in lieu of electricity and water deposits are not backed up by cash and are included in the consumer deposit register.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 16. Provisions

#### Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Total
Performance bonus provision	724,207	119,208	-	843,415
Service bonus provision	2,048,698	411,126	-	2,459,824
Provision for rehabilitation of landfill site	42,003,226	2,992,761	889,343	45,885,330
Provision for leave pay	6,383,566	-	(923,746)	5,459,820
	<b>51,159,697</b>	<b>3,523,095</b>	<b>(34,403)</b>	<b>54,648,389</b>

#### Reconciliation of provisions - 2014

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Service bonus	-	724,207	-	-	724,207
Provision for bonus	-	2,048,698	-	-	2,048,698
Legal proceedings	5,211,598	-	-	(5,211,598)	-
Provision for rehabilitation of landfill site	36,160,535	5,073,459	769,232	-	42,003,226
Labour dispute	243,919	-	-	(243,919)	-
Provision for leave pay	7,187,470	-	(803,904)	-	6,383,566
	<b>48,803,522</b>	<b>7,846,364</b>	<b>(34,672)</b>	<b>(5,455,517)</b>	<b>51,159,697</b>

Non-current liabilities	43,600,650	41,113,883
Current liabilities	11,047,739	10,045,814
	<b>54,648,389</b>	<b>51,159,697</b>

#### Environmental rehabilitation provision

The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill sites used for waste disposal. It is calculated as the present value of the future obligation, discounted at 8.1649% over an average period of 10 years.

#### Details of valuation

The valuation was performed by Seakle Godschalk who is a professional environmental scientist from CSS Environment and sustainability solutions CC, who holds a qualification in Master's degree in Science and Masters degree in Accounting. Seakle Godschalk is an independent valuer and is registered with South African Council for Natural Scientific Professions as well as with the South African Institute of Ecologists and Environmental Scientists.

Date of valuation 31 July 2015

#### Performance bonus provision

The calculated provision for performance bonus was done using a rate of 15% of the total package. The provision for performance bonus is categorised as a provision based on the fact that the performance bonus will only be paid once an employee has met a performance condition. Therefore it is uncertain whether all the employees who are qualifying for a performance bonus will meet the performance bonus. In addition the bonus has to be approved by the Council. Only section 56 employees receive performance bonus

#### Service bonus provision

The calculated provision for service bonus were based on a thirteenth cheque which is monthly pro-rated according to the bonus months. The provision for service bonus is categorised as a provision due to the fact that it is uncertain whether the employee will still be in employment of the municipality during the month when the employee will be entitled to the bonus. If the employee leaves the employ of the municipality before the month in which she/ he will be entitled to a bonus, a portion of the bonus will not be paid. All permanent employees receives service bonus (13th cheque)

#### Provision for leave pay

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 16. Provisions (continued)

Provision for leave pay is calculated in terms of the main collective agreement based on outstanding number of leave days. Any leave days in excess of forty eight (48) days is forfeited.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 17. Employee benefit obligations (Defined contribution plan)

There are six (6) retirement funds into which Councillors and employees contribute. The municipality is not liable for any short fall arising from pension funds contributions. Further detail of retirement funds and medical aid plans are provided below:

#### Defined Contribution (DC) Multi-Employers Pension scheme

These funds are subject to a triennial actuarial valuation.

##### Municipal Councillors Pension fund

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The scheme is subject to an actuarial valuation every three years. The latest statutory valuation was performed as at 30 June 2012 and the fund was reported to be in a sound financial position, the latest available financial statements is as of 30 June 2012. The audited financial statement as at 30 June 2012 revealed that the fund had assets to the amount of R 1,172,149,961 (30 June 2011: R 2,015,742,959) with a total of 6,909 members (30 June 2011: 6,256 members). The contribution rate paid by the members (13,75%) and council (15%) is sufficient to fund the benefits accruing from the fund in the future.

##### Municipal Employees Pension Fund

The contribution rate payable is 7,5% by the members and on average 21.8% by Council. The last Actuarial valuation on this fund was performed in February 2011 certified that the fund is in a sound financial state. The total assets amounts to R 7,544,211,000 (28 February 2008: R 5,715,557,000) and liabilities to R 6,991,439,000 (28 February 2008: R 4,900,548,000) with a total of 17,110 members (28 February 2008: 14,610 members).

The most recently actuarial available valuation was done at 28/02/2009. The funding level of the fund is at 102.2% The basis key assumptions are as follow: Gross discount rate 11.1%; Salary inflation 7,4%; Net post-retirement discount rate 4.4%. The current surplus is relatively small and is not expected to have any impact on the required employer discount rate. The total in-service membership of the MEPF was 15.978 as at 28/02/2009.

##### Joint Municipality Pension Fund

The average contribution rate payable is 7,08% by the members and on average 10.05 % by Council. The last Actuarial valuation on this fund was performed in 31 March 2013 certified that the fund is in a sound financial state. The total assets amounts to R 1,651,394,000 (31 March 2012: R 1,288,291,000) and liabilities to R 1,463,574,000 (31 March 2012: R 1,157,898,000) with a total of 10,579 members (31 March 2013: 9,942 members)

##### SALA Pension Fund

The contribution rate payable is 8.6% by the members and 20.78% by Council. The total assets amounts to on 30 June 2014 amounts to R 12,768,360,060 (30 June 2013: R 10,693,896,597).

#### Defined Contribution (DC) Multi-Employers Pension scheme

**Municipal Gratuity Fund:** The defined benefit scheme is a multi-employer plan and the contribution rate payable is a minimum of 7.5% by the members and 22% by Council. The last valuation performed for the year ended 30 June 2013 revealed that the fund had assets of R 14,565,277,000 and in a sound financial state as at 30 June 2013.

**National Fund for Municipal workers:** The above mentioned fund is a defined contribution Fund and according to Regulation 2 of the Pension Funds Act no 24 of 1956 exempt from the provisions of sections 9A and 16 of the Act. As at 30 June 2011 the results state that the way the benefits are structured in the rules, the fund is limited to an amount equal to the accumulation of all the contributions plus investment returns less administration costs. The NFMW Retirement Fund does not have any reserve accounts or surpluses which could be allocated to members Fund. The total assets amounts to R 4,316,586,594 as at 30 June 2011 (June 2010: R 4,144,125,897).

#### Pension funds

##### Fund Name

Municipal Councillors Pension fund - No of members of this fund: 12 (2014: 12)	911,733	911,733
Municipal Employees Pension Fund - No of members of this fund: 57 (2014:57)	596,936	596,936
Joint Municipality Pension Fund - No of members of this fund: 21 (2014: 21)	355,021	355,021
SALA Pension Fund - No of members of this fund: 2 (2014: 2)	1,105,863	1,105,863

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
Municipal Gratuity Fund - No of members of this fund: 21 (2014: 21)	4,828,714	4,828,714
National Fund for Municipal workers - No of members of this fund: 2 (2014: 2)	5,396,962	5,396,962
	<b>13,195,229</b>	<b>13,195,229</b>

### 18. Employee benefit obligations (Defined benefit plan)

#### Defined benefit plan

##### Post retirement medical aid plan

The expected value of each employee and their spouse's future medical aid subsidies are projected by allowing for future medical inflation. The calculated values are then discounted at the assumed discount interest rate to the present value of valuation. We also allowed for mortality, retirements and withdrawals from service as set out below. The accrued liability is determined on the basis that each employee's medical aid benefit accrues uniformly over the working life of an employee up until retirement. Further it is assumed that the current policy for awarding medical aid subsidies remains unchanged in the future. We assumed that 100% of all active members on medical aid will remain on medical aid once they retire. We also assumed that all active members will remain on the same medical aid option at retirement.

Medical aid funds include K Health, Bonitas, LA Health, Samuhealth and Hosmed. The basis of benefits paid applicable to all medical aids as per the agreement by SALGA includes employees who have retired or who have been boarded, those employed before 1 July 2014. WLM continues to pay 70% of WLM's contribution that was paid whilst employed and those employed after 1 July 2014- WLM continues to pay 60% of WLM's contribution that was paid whilst employed.

The amounts recognised in the statement of financial position are as follows:

#### Carrying value

Present value of the defined benefit obligation- medical aid liability	(77,482,000)	(74,316,000)
Present value of the defined benefit obligation-long service award liability	(12,730,000)	(12,593,000)
	<b>(90,212,000)</b>	<b>(86,909,000)</b>
Non-current liabilities	(88,144,075)	(84,597,140)
Current liabilities	(2,067,925)	(2,311,860)
	<b>(90,212,000)</b>	<b>(86,909,000)</b>

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	86,909,000	74,300,000
Benefits paid	(2,067,925)	(2,311,860)
Net expense recognised in the statement of financial performance	5,370,925	14,920,860
	<b>90,212,000</b>	<b>86,909,000</b>

#### Medical aid liability: Financial Variable

Discount Rate (%)	9	9
CPI (Consumer Price Inflation) (%)	7	7
Medical Aid Contribution Inflation (%)	8	8
Net Effective Discount Rate (%)	1	1
	<b>25</b>	<b>25</b>

#### Long service award liability: Financial Variable

Discount Rate (%)	8	8
CPI (Consumer Price Inflation) (%)	6	6
Normal Salary Increase Rate (%)	7	7
Net Effective Discount Rate (%)	1	1
	<b>22</b>	<b>22</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 18. Employee benefit obligations (Defined benefit plan) (continued)

#### Net expense recognised in the statement of financial performance

Current service cost	5,435,000	4,499,000
Interest cost	7,800,000	5,911,000
Actuarial (gains) losses	(7,864,075)	4,510,860
	<u>5,370,925</u>	<u>14,920,860</u>

#### Calculation of actuarial gains and losses

Actuarial (gains) losses – obligation	<u>(7,864,075)</u>	<u>4,510,860</u>
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The effect of a 1% p.a. change in the medical aid inflation assumption has been tested. The effect is as follows:

Medical aid inflation	-1% Medical aid inflation	Valuation Assumption	+1% Medical aid inflation
Total accrued liability	65,492,000	77,482,000	92,521,000
Interest cost	6,108,000	7,248,000	8,680,000
Service cost	3,792,000	4,714,000	5,910,000
	<u>75,392,000</u>	<u>89,444,000</u>	<u>107,111,000</u>

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees.

Normal salary inflation	-1% Normal salary inflation	Valuation Assumption	+1% Normal salary inflation
Total accrued liability	11,947,000	12,730,000	13,594,000
Interest cost	1,059,000	1,152,000	1,255,000
Service cost	1,082,000	1,158,000	1,242,000
	<u>14,088,000</u>	<u>15,040,000</u>	<u>16,091,000</u>

The cost of the long service awards is dependent on the increase in the annual salaries paid to employees. The rate at which salaries increase will thus have a direct effect on the liability of future employees.

#### Details of valuation

The valuation was performed by Niel Fourie from ZAQEN Actuaries (Pty) Ltd who is qualified as per APN301 to sign off the GRAP 25 valuation and has 8 years experience. Niel Fourie is an independent valuer and is registered with Actuarial Society of South Africa.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>19. Long term loans</b>		
<b>At amortised cost</b>		
Annuity loans	5,112,283	8,861,822
Annuity loans are fixed rate loans. Interest and capital on redemption of annuity loans are payable monthly.		
INCA West 01-0004 @ 13.27%		
INCA West 01-0005 @ 10.61%		
INCA West 01-0008 @ 11.11%		
INCA West 01-0009 @ 13.36%		
INCA West 01-0011 @ 13.79%		
DBSA @ 8.5%		
Enterprise loan	7,607,054	10,264,660
Fixed rate enterprise loan, from Standard bank at an interest rate of 9.85% that commenced 31 December 2012.		
	<b>12,719,337</b>	<b>19,126,482</b>
<b>Total long term loans</b>	<b>12,719,337</b>	<b>19,126,482</b>
<b>Non-current liabilities</b>		
At amortised cost	7,274,356	11,300,112
<b>Current liabilities</b>		
At amortised cost	5,444,981	7,826,370
<b>20. Revenue</b>		
Service charges	273,757,670	213,049,950
Rental of facilities and equipment	973,213	354,731
Income from agency services	6,892,446	5,728,893
Licences and permits	29,022	263
Fees earned	357,131	402,893
Interest on outstanding receivables	-	5,342,868
Other income	2,289,171	2,135,177
Reversal of impairment	843,036	-
Interest on investments	1,539,451	1,211,552
Property rates	265,311,461	27,647,144
Government grants & subsidies	200,648,170	190,054,182
Public contributions and donations	8,087,527	5,685,382
Fines	2,877,143	23,578,357
	<b>763,605,441</b>	<b>475,191,392</b>
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>		
Service charges	273,757,670	213,049,950
Rental of facilities and equipment	973,213	354,731
Income from agency services	6,892,446	5,728,893
Licences and permits	29,022	263
Fees earned	357,131	402,893
Interest on outstanding receivables	-	5,342,868
Other income	2,289,171	2,135,177
Reversal of impairment	843,036	-
Interest on investments	1,539,451	1,211,552
	<b>286,681,140</b>	<b>228,226,327</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>20. Revenue (continued)</b>		
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
<b>Taxation revenue</b>		
Property rates	265,311,461	27,647,144
<b>Transfer revenue</b>		
Government grants & subsidies	200,648,170	190,054,182
Public contributions and donations	8,087,527	5,685,382
Fines	2,877,143	23,578,357
	<b>476,924,301</b>	<b>246,965,065</b>
<b>Income from agency services</b>		
<b>Income from agency services is made up of the following:</b>		
Income received	20,128,582	17,912,123
Expenditure paid to Department of Transport	(13,116,664)	(12,183,230)
	<b>7,011,918</b>	<b>5,728,893</b>
<b>21. Property rates</b>		
<b>Rates and taxes</b>		
Residential, commercial, industrial, municipal and rural land	265,311,461	27,647,144
<b>Valuations</b>		
Residential	1,784,056,405	2,251,030,120
Commercial	8,335,540,590	453,633,215
Municipal	431,477,120	431,477,120
Farms	470,540,590	55,755,470
	<b>11,021,614,705</b>	<b>3,191,895,925</b>

Valuations on land and buildings are performed every 4 years. The last general valuation came into effect on 1 July 2014. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

Rates below are applied to property valuations to determine assessment rates. Rebates are granted to residential and state property owners:

Residential property	0.014
Business	0.028
Industries	0.028
State owned property	0.026
Public service infrastructure	0.026
Farming property used for bona fide farming	0.01
Farming property used for residential purpose	0.014
Farming property used for industrial and business purpose	0.028
Vacant land irrespective of zoning	0.1
Mining property	0.036
Religious	0

Rates are calculated on the annual basis, levied monthly and are payable by the 7th day of the following month.



## Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

### Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>22. Service charges</b>		
Sale of electricity	90,838,332	76,693,045
Sale of water	140,946,557	112,203,829
Sewerage and sanitation charges	25,661,995	14,596,101
Refuse removal	16,310,786	9,556,975
	<b>273,757,670</b>	<b>213,049,950</b>
<b>23. Fees earned</b>		
<b>Fees</b>		
Cemetery fees	159,065	227,103
Electricity: connection fees	137	50,238
Electricity: reconnection fees	189,824	125,552
Gymnasium joining fee	4,982	-
Gymnasium fee income	3,123	-
	<b>357,131</b>	<b>402,893</b>
<b>24. Other income</b>		
Sundry income	950,985	178,931
Income from other sources	813,537	1,617,545
Social responsibility	239,011	338,701
Property sales	285,638	-
	<b>2,289,171</b>	<b>2,135,177</b>
<b>25. Public contributions and donations</b>		
Asset management implementation	-	1,000,000
Operation clean audit	-	3,500,000
Security for councillors	-	1,040,117
Other contributions	7,000	145,265
Performance management system	500,000	-
Computers received from GPDSACR	49,516	-
Roads and stormwater- Rubble trap	7,531,011	-
	<b>8,087,527</b>	<b>5,685,382</b>

The above contributions were received from Department of Cooperative Governance and Traditional Affairs (CoGTA) to assist the municipality with its operations.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>26. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	113,718,000	104,957,000
Municipal Infrastructure Grant: operational expenditure	2,567,000	2,572,688
Expanded Public Works Programme Grant	2,731,000	1,000,000
Infrastructure Skills Development Grant	4,724,938	2,648,282
Finance Management Grant	1,450,000	1,301,824
Municipal Systems Improvement Grant	934,000	893,857
DAC funding and equitable share: Libraries	3,864,061	2,700,000
Provincial health subsidy	1,546,171	1,151,219
	<u>131,535,170</u>	<u>117,224,870</u>
<b>Capital grants</b>		
Municipal Infrastructure Grant: capital expenditure	62,113,000	59,829,312
Integrated National Electrification Programme Grant	7,000,000	13,000,000
	<u>69,113,000</u>	<u>72,829,312</u>
	<u><b>200,648,170</b></u>	<u><b>190,054,182</b></u>
<b>Equitable Share</b>		
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
All registered indigents receive a subsidy of 6 kilolitre (kl) water, 50 kwh of electricity, basic sewer, refuse and property rates which is funded by the grant.		
<b>Equitable share</b>		
Current-year receipts	113,718,000	104,957,000
Conditions met - transferred to revenue	(113,718,000)	(104,957,000)
	<u>-</u>	<u>-</u>
<b>MIG- Operational expenditure</b>		
Current-year receipts	2,567,000	2,572,688
Conditions met - transferred to revenue	(2,567,000)	(2,572,688)
	<u>-</u>	<u>-</u>
This grants is used to fund project management unit (PMU) operations.		
<b>EPWP</b>		
Current-year receipts	2,731,000	1,000,000
Conditions met - transferred to revenue	(2,731,000)	(1,000,000)
	<u>-</u>	<u>-</u>
This grant is used to pay stpends to EPWP employees.		
<b>ISDG</b>		
Balance unspent at beginning of year	2,724,938	2,373,220
Current-year receipts	2,000,000	3,000,000
Conditions met - transferred to revenue	(4,724,938)	(2,648,282)
	<u>-</u>	<u><b>2,724,938</b></u>
Conditions still to be met - remain liabilities (see note 13).		

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 26. Government grants and subsidies (continued)

This grants was used to enhance skills within the infrastructure department. It pays the salaries for the interns and their mentor within infrastructure department.

#### FMG

Balance unspent at beginning of year	-	1,824
Current-year receipts	1,450,000	1,300,000
Conditions met - transferred to revenue	(1,450,000)	(1,301,824)
	<u>-</u>	<u>-</u>

This grant was used to promote and support reforms to municipal financial management and the implementation of the MFMA.

#### MSIG

Balance unspent at beginning of year	-	3,857
Current-year receipts	934,000	890,000
Conditions met - transferred to revenue	(934,000)	(893,857)
	<u>-</u>	<u>-</u>

This grant was used to build in-house capacity to perform their functions and stabilise institutional and government systems. Other than the unspent amount, the conditions of the grant were met and no funds have been withheld.

#### DAC Funding and Equitable share share (Libraries)

Current-year receipts	3,864,000	2,700,000
Conditions met - transferred to revenue	(3,864,000)	(2,700,000)
	<u>-</u>	<u>-</u>

This grant is used to fund library operations. It is also used to purchase book detection system and library books.

#### Provincial health subsidy

Balance unspent at beginning of year	653,521	954,658
Current-year receipts	892,650	850,082
Conditions met - transferred to revenue	(1,546,171)	(1,151,219)
	<u>-</u>	<u>653,521</u>

Conditions still to be met - remain liabilities (see note 13).

This is HIV/ Aids subsidy which was used to pay the stipends, to spend on consumer awareness and training.

#### MIG- Capital expenditure

Balance unspent at beginning of year	13,338,000	-
Current-year receipts	48,775,000	73,167,312
Conditions met - transferred to revenue	(62,113,000)	(59,829,312)
	<u>-</u>	<u>13,338,000</u>

This grant was used to construct basic municipal infrastructure to provide basic services for the benefit of poor households..

#### Integrated National Electrification Programme Grant

Current-year receipts	7,000,000	13,000,000
Conditions met - transferred to revenue	(7,000,000)	(13,000,000)

## Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

### Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>26. Government grants and subsidies (continued)</b>	-	-
This grant was received from Department of Energy to finance the electrification of Borwa project housing..		
<b>27. Fines</b>		
<b>Fines includes the following:</b>		
Camera speed fines	1,327,050	23,570,808
Manual traffic fines	1,548,350	6,100
Library fines	1,743	1,449
	<b>2,877,143</b>	<b>23,578,357</b>
<b>28. Interest income</b>		
<b>Interest on investments</b>		
Investments	1,539,451	1,211,552

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>29. Employee related costs</b>		
Basic	78,526,288	71,414,587
Bonus	5,407,287	5,143,102
Medical aid - company contributions	10,206,465	9,067,574
UIF	716,651	753,765
SDL	990,089	1,270,034
Other payroll levies	48,554	45,928
Leave pay provision charge	(923,746)	(848,284)
Standby allowance	959,682	839,660
Bonus accrual	530,334	2,772,905
Defined contribution plans	13,069,181	12,116,767
Travel, motor car, accommodation, subsistence and other allowances	6,480,758	6,098,088
Overtime payments	3,975,408	4,537,907
Long-service awards	1,668,587	1,081,610
Acting allowances	533,545	959,953
Housing benefits and allowances	630,712	527,944
Medical aid- on going members	1,187,181	1,230,250
Group life	1,131,003	1,045,060
Uniforms and overalls	64,476	57,147
Protective clothing	-	925,163
Telephone allowance	318,391	334,740
Defined benefit plan: Benefits paid	(2,067,925)	(2,311,860)
Defined benefit plan: Current service cost	5,435,000	4,499,000
	<b>128,887,921</b>	<b>121,561,040</b>

### Remuneration of Municipal Manager (Mr TC Ndlovu)

Annual remuneration	1,273,788	1,188,463
Car allowance	72,000	72,000
Bonus	106,149	-
Contributions to UIF, medical and pension funds	1,785	1,785
SDL	14,375	13,451
Salga	81	76
	<b>1,468,178</b>	<b>1,275,775</b>

### Remuneration of Chief Finance Officer (Mr VB Mkhefa)

Annual remuneration	722,075	400,943
Car allowance	204,000	115,736
Bonus	57,278	-
Contributions to UIF, medical and pension funds	1,785	1,041
Salga	81	44
SDL	9,426	4,825
	<b>994,645</b>	<b>522,589</b>

Chief financial officer was appointed on 02 December 2013.

### Remuneration of Executive Manager: Corporate (Ms S Maqhubu)

Annual remuneration	741,976	548,484
Car allowance	110,000	156,000
Contributions to UIF, medical and pension funds	69,212	154,754
SDL	8,098	6,645
Salga	432	762
	<b>929,718</b>	<b>866,645</b>

## Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

### Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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#### 29. Employee related costs (continued)

The Executive manager: Corporate resigned on 31 May 2015.

##### Remuneration of Executive Manager Community Services (Mrs T Morolo)

Annual remuneration	595,002	548,484
Car allowance	156,000	156,000
Contributions to UIF, medical and pension funds	168,347	154,754
SDL	7,111	6,645
Salga	471	762
	<b>926,931</b>	<b>866,645</b>

##### Remuneration of Executive Manager Infrastructure (Mr M Machaba)

Annual remuneration	725,527	291,105
Car allowance	237,480	98,950
Contributions to UIF, medical and pension funds	1,785	743
Telephone allowance	12,000	5,000
SDL	9,275	3,753
Salga	471	32
	<b>986,538</b>	<b>399,583</b>

Executive manager: Infrastructure was appointed on 01 February 2014

##### Employee related cost (including section 56 managers)

Total Employee related cost	<b>134,249,197</b>	<b>125,492,277</b>
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# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015		2014	
<b>30. Remuneration of councillors</b>				
Councillors allowance	10,723,798		10,215,718	
	<b>Annual remuneration</b>	<b>Accommodation, subsistence, travel and other allowances</b>	<b>Contributions to medical and pension funds</b>	<b>Total</b>
Cllr S. Monoane (Speaker)	389,244	172,464	63,227	624,935
Cllr N. Tundzi (Executive Mayor)	445,710	209,772	119,059	774,541
Cllr A.Gela (MMC Health and Social Development)	364,908	163,140	59,282	587,330
Cllr G. Khoza (MMC IDP)	284,738	128,168	44,534	457,440
Cllr N. Khenene (MMC Human settlements)	364,908	163,140	59,282	587,330
Cllr T.A Mncube (MMC Public Safety)	364,908	163,140	59,282	587,330
Cllr M. Mkhumbuzi (MMC IDP)	364,908	163,140	59,282	587,330
Cllr A. Ntshiba (MMC Finance)	364,908	163,714	59,286	587,908
Cllr Segwetshe (MMC Corporate)	152,045	67,978	24,712	244,735
Cllr N Baza	145,968	79,212	23,783	248,963
Cllr PHC De Jager	145,968	79,212	23,783	248,963
Cllr N Dyase	187,320	94,317	30,484	312,121
Cllr M Jokazi	145,968	79,212	23,783	248,963
Cllr N Kolo	145,968	79,212	23,783	248,963
Cllr JS Letlhake	145,968	79,212	23,783	248,963
Cllr V Lwabi	145,968	79,212	23,783	248,963
Cllr DL Mampe	145,968	79,212	23,783	248,963
Cllr I Merabe	145,968	79,212	23,783	248,963
Cllr M Mgamntwini	145,968	79,212	23,783	248,963
Cllr PM Mkhungekwana	145,968	79,212	23,783	248,963
Cllr T Mngomezulu	145,968	79,212	23,783	248,963
Cllr MM Mthimkhulu	145,968	79,212	23,783	248,963
Cllr E Molathwa	145,968	79,212	23,783	248,963
Cllr DS Molebatsi	145,968	79,212	23,862	249,042
Cllr K Ncele	145,968	79,212	23,783	248,963
Cllr S Ngweventsha	85,148	46,207	13,146	144,501
Cllr T Nkwatani	145,968	79,212	23,783	248,963
Cllr ND Nodzipho	145,968	79,212	23,783	248,963
Cllr CM Seitheiso	145,968	79,212	23,783	248,963
Cllr A Sityebi	145,968	79,212	23,783	248,963
Cllr CD Turner	194,616	23,268	31,074	248,958
Cllr M Van Graan	145,968	79,212	23,783	248,963
	<b>6,482,721</b>	<b>3,142,688</b>	<b>1,098,389</b>	<b>10,723,798</b>

### In-kind benefits

The Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the council.

The Executive Mayor has use of a council owned vehicle for official duties and has two full-time bodyguards. The Executive mayor is also provided with official residence.

The Speaker has the use of a council owned vehicle and body guards.

The councillors are provided with laptop computers and data modems.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>31. Depreciation and amortisation</b>		
Property, plant and equipment	68,792,136	52,322,813
Intangible assets	123,464	122,785
	<b>68,915,600</b>	<b>52,445,598</b>
<b>32. Finance costs</b>		
Interest on arrear accounts	8,976,201	9,509,483
Interest on external borrowings	1,839,511	2,745,617
	<b>10,815,712</b>	<b>12,255,100</b>
Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through surplus or deficit amounted to R 10,223,186 (2014: R 12,255,100).		
<b>33. Debt impairment</b>		
Contributions to allowance for impairment: receivables	187,810,178	8,026,417
Contributions to allowance for impairment: fines	5,755,195	11,371,215
Debt written off: indigent	37,478,020	38,530,819
	<b>231,043,393</b>	<b>57,928,451</b>
Contributions to allowance for impairment relate to impairment on receivables amounting to R187,810,178 (2014: R8,026,417) and impairment on traffic fines amounting to R5,755,195 (2014: R11,371,215) in terms of IGRAP 1. The municipality has written off debt against indigents and it amounts to R37,478,020 (2014: R38,530,819)		
<b>34. Bulk purchases</b>		
Electricity	75,328,473	71,815,819
Water	108,830,436	110,593,633
	<b>184,158,909</b>	<b>182,409,452</b>
<b>35. Contracted services</b>		
Operating leases	4,962,425	2,464,617
Specialist services	16,211,589	18,757,148
	<b>21,174,014</b>	<b>21,221,765</b>
Contracted services (specialist services) includes internal audit, repairs and maintenance, security and debtors collection services.		
<b>36. Write offs</b>		
<b>Write offs consists of the following:</b>		
Property, plant and equipment	1,751,618	31,078,287
Projects under construction (with no movements)	18,174,682	-
PAD accounts	299,370	-
Long term debtors write offs	-	1,877,472
Salary creditors	-	314,329
	<b>20,225,670</b>	<b>33,270,088</b>
<b>37. Impairment loss</b>		
Impairment of property, plant and equipment	1,130,156	843,035



# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>38. General expenses</b>		
Aarto infringements	416,127	206,145
Advertising	267,760	614,540
Auditors remuneration	4,578,667	2,747,170
Bank charges	310,503	630,042
Chemicals	2,432	329,473
Commission paid	337,861	-
Consulting and professional fees	5,059,800	2,554,271
Conferences and seminars	20,455	5,470
Community development HIV/ Aids	197,437	7,340
Community development- other	226,499	-
Communication and publication	322,781	271,158
Consumables	891,689	618,835
Discount allowed	3,875,219	-
Donations	17,632	-
Entertainment	424,231	654,958
Expanded Public Works Programme	123,559	164,146
Eskom small accounts	990,877	563,843
Fertilizer	15,082	1,605
Finance Management Grant	1,177,513	698,459
Fuel and oil	1,410,416	2,486,984
Hire of equipment	531,972	211,343
Infrastructure Skills Development Grant	885,367	294,215
Insurance	591,166	738,370
Lease rentals on operating lease	55,266	-
Library DAC funding	233,085	624,006
Magazines, books and periodicals	213,707	350,074
Motor vehicle expenses (licenses)	382,256	236,159
Municipal systems improvement grant	564,053	519,200
OHS wellness programme	1,225,793	-
Other expenses	1,229,589	532,357
Printing and stationery	1,142,037	1,512,482
Postage and courier	523,939	682,866
Promotion of town	166,629	401,767
Public participation and other programmes	779,580	423,902
Refuse	659,041	5,759
Risk management fees	40,992	-
Security (Guarding of municipal property)	-	3,581,582
Sports development	149,647	186,732
Software expenses	2,874,280	523,790
Subscriptions and membership fees	2,921,709	2,337,863
Third party expenses	135,886	794,303
Telephone and fax	2,227,851	2,763,149
Training	1,648,408	336,412
Travel - local	169,637	35,892
Tools and equipment	7,271	11,661
Water research levy	816,577	755,167
	<b>40,842,278</b>	<b>30,413,490</b>
<b>39. Operating surplus (deficit)</b>		
Operating surplus (deficit) for the year is stated after accounting for the following:		
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	55,266	-

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>39. Operating surplus (deficit) (continued)</b>		
Gain on sale of property, plant and equipment	4,077,015	-
Impairment on property, plant and equipment	1,130,156	843,035
Amortisation on intangible assets	123,464	122,785
Depreciation on property, plant and equipment	68,792,136	52,322,813
Employee costs	144,917,729	135,707,995
<b>40. Fair value adjustments</b>		
Investment property (Fair value model)	-	30,030,583
<b>41. Auditors remuneration</b>		
Fees	4,578,667	2,747,170
<b>42. Cash generated from operations</b>		
Surplus (deficit)	35,442,488	(54,225,575)
<b>Adjustments for:</b>		
Depreciation and amortisation	68,915,600	52,445,598
Loss on sale of assets and liabilities	(4,077,015)	-
Actuarial (gains)/ losses	(7,864,075)	4,510,860
Fair value adjustments	-	(30,030,583)
Public contributions and donations	(7,580,527)	-
Impairment deficit	1,130,156	843,035
Debt impairment	231,043,393	57,928,451
Movements in retirement benefit assets and liabilities	3,303,000	12,609,000
Movements in provisions	3,488,692	2,356,175
Interest cost	8,689,343	6,680,432
Other non-cash item	3,091,916	38,201,131
<b>Changes in working capital:</b>		
Inventories	65,005	(155,401)
Other receivables from exchange transactions	2,103,934	3,211,363
Trade receivables from exchange transactions	(245,085,102)	(50,034,411)
Other receivables from non-exchange transactions	4,803,057	(6,579,472)
Payables from exchange transactions	(13,085,024)	26,821,828
VAT	4,037,570	2,464,972
Unspent conditional grants and receipts	(16,716,459)	13,340,208
Consumer deposits	569,260	-
	<b>72,275,212</b>	<b>80,387,611</b>

## Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

### Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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#### 43. Commitments

##### Authorised capital expenditure

##### Already contracted for but not provided for

• Property, plant and equipment	11,692,017	25,303,988
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This committed expenditure relates to property and will be financed by government grants and the municipality's own funding.

##### Operating leases - as lessee (expense)

##### Minimum lease payments due

- within one year	9,429,111	5,617,808
- in second to fifth year inclusive	12,757,547	10,760,021
	<u>22,186,658</u>	<u>16,377,829</u>

Operating lease payments represent rentals payable by the municipality for certain of its office equipment and vehicles. Leases are negotiated for an average term of five years and rentals varies based on the prime rate. No contingent rent is payable.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 44. Contingencies

#### 1) Quill & Associates vs Westonaria local municipality

Quill and Associates instituted a claim against Westonaria local municipality. The application is brought against Westonaria for the alleged infringement of copyright in respect the BIQ computer programme

First claim:

- The defendant be ordered to pay the plaintiff an amount of R5,130,000 for copy right infringement and license fees, plus interest at 15.5%
- That the defendant be ordered to remove the software from its system and interdicted from using it again.
- Cost of the action

Second claim:

- Payment of the amount R55,150
- Payment of interest on the amount of R55,150 at a rate of 15,5% per annum, calculated from 6 July 2012 to date payment
- Cost of the action

#### 2) Otilian Carlos Timane vs Westonaria local municipality

Otilian Carlos Timane instituted a claim against Westonaria local municipality due to the reason that the claimant fell into an open manhole on the sidewalk and sustained injuries. The claimant alleged that the municipality was negligent in that it failed to take precautionary measures by not alerting pedestrians of the danger.

An amount of R250,000 plus interest of 15.5% per annum, is being claimed for bodily injury and loss of income.

#### 3) Various mines vs Westonaria local municipality

Various mines have instituted claim against Westonaria local municipality due to a dispute which have arisen between some of the gold mines in the area and the municipality regarding the value of their properties as reflected in the new valuation role, they objected thereto and also submitted an appeal to the Valuations Appeal Board, which is still to be heard.

They, in the meantime, stopped paying their rates due and when the municipality threatened to terminate their water supply, they approach the High Court in Pretoria to interdict us on an urgent basis from doing so. The mining companies involved are Gold Fields Operations Ltd, GFI Joint Venture Holdings )Pty} Ltd, Sibanye Gold Ltd, Rand Uranium (Pty} Ltd, Ezuylwini Mining Co (Pty}{Ltd} and the Far West Rand Dolomitic Water Association.

The matter has been taken to Valuation Appeals Board, which could take months and even several years, so that if the mines wins the appeal the municipality would be in a position to pay back any overpayments made by the mines during this period.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 45. Related parties

#### Relationships

Accounting Officer

Refer to accounting officer's report note

Members of key management

Mayor

N. Tundzi

Speaker

S. Monoane

Members of the Mayoral committee

T.A. Ncube

G. Khoza

A. Gela

A. Ntshiba

M. Mkhumbuzi

Municipal Manager

T.C. Ndlovu

Chief Financial Officer

V.B. Mkhafa

Executive Manager: Community Service

T. Morolo

Executive Manager: Corporate Service

S. Maqhubu

Executive Manager: Infrastructure Service

M. Machaba

Mayor, Speaker, Members of Mayoral committee and section 56 employees are related parties and have declared in writing that they have no contracts or interests in contracts with the municipality. Details are disclosed in note 29 and 30.

### 46. Prior period errors

The following balances were corrected and restated as prior period error:

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand

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### 46. Prior period errors (continued)

**Payables from exchange transactions:** the retention register was misstated as it could not be substantiated by payments certificates. This has been subsequently corrected and it amounts to R743,898. Payments relating to the 2013/ 2014 financial period were only paid in the 2014/ 2015. Trade creditors in the 2013/14 financial period has been restated and adjustment amounts to R503,910. Salaries creditors were cleared during the year and the transactions related to prior years and this has been cleared. This amounts to R1,126,645.

**Cash and cash equivalents:** the auditors raised an error in the 2013/ 2014 financial period concerning the receipts amounting to R483,980 which were not captured in the correct accounting period. This affected prior year cash and bank. There was also a reclassification error between investment account and cash book amounting to R29,059. This has been subsequently corrected.

**Provisions:** provision for leave was incorrectly calculated and the error amounts to R44,380. This was subsequently corrected..

**Investment property:** restating the opening balance due to properties from the floor which were not included in the investment property register. The whole population was corrected and the effect of the adjustment amounts to R28,000,391.

**Work in progress:** there are three projects which were under construction and these projects did not have movement for the past three financial years. A decision was made to write them off as they relate to initial costs of projects (designs).

**Property, plant and equipment:** the balance has been restated due to adjustments on the prior year (2013/2014) accumulated depreciation. The error relates to useful lives as per the asset management policy not reflected on the fixed asset register. This affects mainly adjustments on the useful lives of immovable assets and the effect thereof amounts to R45,555,230. Movable assets were adjusted due to items which were found from the floor and were not on the register. The effect of adjustment amounts to R1,417,271. There were also adjustment made on library books due to depreciation which was incorrectly calculated in prior years and adjustment to correct an error amounts to R301,288.

**Intangible assets:** the municipality could not substantiate values of servitudes amounting to R467,773. A correction has been made and the correct balance has been adjusted with R1,164,897.21.

**VAT payable:** There was VAT amounting to R21,189 not claimed on expenditure in the 2013/2014 financial year which was raised by the auditors and it has subsequently been corrected.

**Cash flow from operating activities:** an amount of R3,376,251 which relates to sales of goods and services were misclassified as grants received. Non-cash items relating to bonus accrual, leave accrual and defined benefit plan movements amounting R6,423,621 were incorrectly recorded under employee costs in the cash flow statement. This has been subsequently corrected. Benefits paid amounting to R11,832,305 were misclassified as payments to supplies and not under employee costs. There was an error with regards to the misclassification of interest on investments. This has been subsequently corrected. There was an error with licensing bank account as it could not be reconciled due to receipts not capture on the financial system. This has been corrected and the effect is R660,527.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand

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### 46. Prior period errors (continued)

Statement of financial position for the year ended June 2014	Balance per Audited AFS	Prior period errors	Reclassification	Restated balance
Trade and other receivables from exchange transactions	46,398,478	(483,980)	(25,502)	45,888,996
Trade and other receivables from non exchange transactions	8,497,142	-	-	8,497,142
Other receivables from exchange transactions	3,159,414	(120,000)	(113,594)	2,925,820
Other receivables from non exchange transactions	6,465,877	-	113,594	6,579,471
VAT payable	(2,599,773)	21,189	-	(2,578,584)
Cash and cash equivalents	21,171,068	-	3,456,838	24,627,906
Inventories	1,165,416	-	-	1,165,416
Property, plant and equipment	1,182,755,008	77,661,118	-	1,260,416,126
Work-in-progress	88,508,048	(26,240,399)	-	62,267,649
Investment property	141,350,971	(28,104,201)	-	113,246,770
Intangible assets	689,648	1,164,897	-	1,854,545
Trade and other payables from exchange transactions	(130,117,192)	1,362,874	-	(128,754,318)
Provisions	(10,001,434)	(44,380)	-	(10,045,814)
Employee benefit obligations	(13,129,054)	10,817,194	-	(2,311,860)
Bank overdraft	(13,714,857)	1,173,765	(3,485,674)	(16,026,766)
Consumer deposits	(10,060,332)	-	-	(10,060,332)
Unspent conditional grants and receipts	(16,716,459)	-	-	(16,716,459)
Long-term liabilities	(7,826,370)	-	-	(7,826,370)
Provisions	(41,113,883)	-	-	(41,113,883)
Employee benefit obligations	(73,779,946)	(10,817,194)	-	(84,597,140)
Long term liabilities	(11,266,168)	(33,944)	-	(11,300,112)
Accumulated surplus	(1,169,835,602)	(26,356,939)	54,338	(1,196,138,203)
	-	-	-	-

Statement of financial performance for the year ended June 2014	Balance per Audited AFS	Prior period errors	Reclassification	Restated balance
Service charges	(213,049,950)	-	-	(213,049,950)
Fees earned	(402,893)	-	-	(402,893)
Other income	(2,156,525)	359,303	(337,955)	(2,135,177)
Fines	(23,578,357)	-	-	(23,578,357)
Rental of facilities and equipment	(353,986)	-	(746)	(354,732)
Income from agency services	(5,729,156)	-	263	(5,728,893)
License and permits	-	-	(263)	(263)
Public contributions and donations	(5,685,382)	-	-	(5,685,382)
Interest on investments	-	(359,303)	(852,249)	(1,211,552)
Interest on outstanding receivables	(6,195,117)	-	852,249	(5,342,868)
Property rates	(27,647,144)	-	-	(27,647,144)
Government grants & subsidies	(190,054,192)	-	-	(190,054,192)
Employee related costs	115,971,832	9,520,445	-	125,492,277
Remuneration of councilors	10,215,718	-	-	10,215,718
Internal Charges	11,690,069	-	-	11,690,069
Depreciation and amortisation	52,445,598	-	-	52,445,598
Impairment loss	823,929	19,107	-	843,036
Debt impairment	57,928,451	-	-	57,928,451
Finance costs	9,426,049	-	2,829,051	12,255,100
Collection costs	4,631,226	-	-	4,631,226
Repairs and maintenance	4,653,371	-	786,617	5,439,988
Bulk purchases	183,728,462	-	(1,319,010)	182,409,452
Contracted services	21,221,765	-	-	21,221,765
Interest cost	9,509,483	-	(2,829,051)	6,680,432
General expenses	29,542,397	-	871,094	30,413,491
Write offs	33,270,088	-	-	33,270,088

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015		2014	
<b>46. Prior period errors (continued)</b>				
Actuarial losses	14,031,305	(9,520,445)	-	4,510,860
Fair value adjustment	(40,235,003)	10,204,420	-	(30,030,583)
	<b>44,002,038</b>	<b>10,223,527</b>	<b>-</b>	<b>54,225,565</b>
<b>Statement of cash flow for the year ended June 2014</b>	<b>Audited AFS</b>	<b>Prior period error</b>	<b>Reclassification</b>	<b>Restated balance</b>
<b>Cash from operating activities</b>				
Sale of goods and services	321,550,390	1,144,508	3,038,296	325,733,194
Grants	206,770,641	-	(3,376,251)	203,394,390
Interest income	852,249	359,303	-	1,211,552
Public contributions and donations	5,685,382	-	-	5,685,382
Other receipts	2,156,525	(359,303)	337,955	2,135,177
Employee costs	(126,187,550)	6,423,621	(11,832,305)	(131,596,234)
Suppliers	(319,329,735)	(6,423,621)	11,832,305	(313,921,051)
Finance costs	(12,255,100)	-	-	(12,255,100)
	<b>79,242,802</b>	<b>1,144,508</b>	<b>-</b>	<b>80,387,310</b>

### 47. Risk management

#### Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

#### Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

### 48. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.



# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>49. Unauthorised expenditure</b>		
Executive and council	-	16,533,699
Corporate services	-	18,934,092
Public safety	5,575,228	-
Sports and recreation	-	1,554,307
Budget and treasury	214,991,555	100,740,510
Housing	36,951	241,515
Health	431,468	727,991
Road transport	-	2,520,388
Electricity	-	2,284,516
Waste management	4,411,090	1,360,805
	<b>225,446,292</b>	<b>144,897,823</b>

The above unauthorised expenditure within the votes is as a result of year-end accounting transactions not budgeted for. This unauthorised expenditure will be tabled in a special adjustment budget when the annual report is tabled in accordance with section 23(6) of the Budget and Reporting Regulations.

### 50. Fruitless and wasteful expenditure

Eskom	8,298,807	9,360,098
Eskom small accounts	2,351	-
Rand water	31,065	149,385
Telkom	32,457	-
Auditor General	18,994	-
	<b>8,383,674</b>	<b>9,509,483</b>

Fruitless and wasteful regarding interest paid relates to interest charged by Eskom on the late settlement of the monthly Eskom accounts. Due to cash flow constraints the municipality was unable to settle the Eskom accounts timeously and as a result Eskom charged the municipality interest at a rate of 15% on arrear accounts. Other fruitless and wasteful expenditure relates to interest incurred due to late payments.

### 51. Irregular expenditure

Opening balance	39,741,672	14,835,162
Add: Irregular expenditure - current year	15,405,632	24,906,510
	<b>55,147,304</b>	<b>39,741,672</b>

Irregular expenditure amounting to R39 million is still under investigation by MPAC.

### 52. Supply chain management regulations - Other matters

#### Name of supplier and relationship

Altimax	-	810,000
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Altimax (shareholder is a spouse of an employee in the Department of Higher Education) R810,000

### 53. Awards to employees from other organs of state:

#### In terms of section 45 of SCM policy

Bigen Africa	-	3,003,463
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Awards to companies, persons or relatives that may be in the service of the state.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>54. Additional disclosure in terms of Municipal Finance Management Act</b>		
<b>Contributions to organised local government (SALGA)</b>		
Current year subscription / fee	2,921,709	1,032,469
Amount paid - current year	(2,921,709)	(1,032,469)
	<u>-</u>	<u>-</u>
<b>Audit fees</b>		
Opening balance	2,747,170	2,417,499
Amount paid - current year	4,578,667	2,747,170
Amount paid - previous years	(2,747,170)	(2,417,499)
	<u>4,578,667</u>	<u>2,747,170</u>
<b>PAYE and UIF</b>		
Opening balance	13,945,700	16,270,941
Amount paid - current year	16,049,998	13,945,700
Amount paid - previous years	(13,945,700)	(16,270,941)
	<u>16,049,998</u>	<u>13,945,700</u>
<b>Pension and medical aid deductions</b>		
Opening balance	34,177,512	24,658,378
Amount paid - current year	36,892,773	34,177,512
Amount paid - previous years	(34,177,512)	(24,658,378)
	<u>36,892,773</u>	<u>34,177,512</u>
<b>VAT</b>		
VAT payable	<u>6,616,154</u>	<u>2,578,584</u>

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 54. Additional disclosure in terms of Municipal Finance Management Act (continued)

#### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at June 30, 2015:

June 30, 2015	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor M Ngamtwini	664	-	664
Councillor E Molathwa	548	-	548
Councillor D Mampe	645	236	881
Councillor I Meraba	963	303	1,266
Councillor G Khoza	680	7,434	8,114
Councillor S Monoane	691	-	691
Councillor A Ntshiba	817	-	817
Councillor A Mncube	144	-	144
Councillor. Tundzi-Hawu	-	144	144
Councillor C Seitheisho	1,399	-	1,399
Councillor M Van Graan	-	4,194	4,194
Councillor D Ndzipho	348	-	348
	<b>6,899</b>	<b>12,311</b>	<b>19,210</b>

June 30, 2014	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor: Monoane S	516	-	516
Councillor: Mampe	894	-	894
Councillor: Molathwa J	1,224	-	1,224
Councillor: Mkhumbuzi N	668	-	668
Councillor: Meraba I	144	-	144
Councillor: Mncube A	554	-	554
Councillor: Khoza G	250	-	250
Councillor: Gela A	1,208	-	1,208
Councillor: Ntshiba N	318	300	618
Councillor: Turner C	116	-	116
	<b>5,892</b>	<b>300</b>	<b>6,192</b>

During the year the following Councillors' had arrear accounts outstanding for more than 90 days.

June 30, 2015	Highest outstanding amount	Aging (in days)
Councillor: Mzukisi Ngamtwini	664	30
Councillor: E Molathwa	236	90
Councillor: D Mampe	303	90
Councillor: I Meraba	6,986	120
Councillor: G Khoza	680	30
Councillor: S Monoane	691	30
Councillor: A Ntshiba	295	60
Councillor: A Mncube	72	120
Councillor: C Seitheisho	3,503	120
Councillor: D Ndzipho	348	30
	<b>13,778</b>	<b>720</b>

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
<b>54. Additional disclosure in terms of Municipal Finance Management Act (continued)</b>		
June 30, 2014		
	Highest outstanding amount	Aging (in days)
Councillor S Monoane	1,092	30
Councillor D Mampe	501	120
Councillor J Molathwa	1,651	150
Councillor N Mkhumbuzi	8	365
Councillor I Meraba	5,779	365
Councillor A Mncube	144	30
Councillor G Khoza	76	90
Councillor A Gela	828	150
Councillor N Ntshiba	388	150
Councillor D Ndzipho	618	30
	<b>11,085</b>	<b>1,480</b>

### 55. Utilisation of long-term liabilities reconciliation

Long-term liabilities raised	12,719,337	19,126,482
Used to finance property, plant and equipment	(12,720,746)	(19,127,890)
	<b>(1,409)</b>	<b>(1,408)</b>

Long-term liabilities have been utilised in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that long-term liabilities can be repaid on redemption date.

### 56. Deviation from supply chain management regulations

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the council and includes a note to the annual financial statements.

The municipality deviated in terms of the provisions of paragraph 12(1)(d)(i) as stated above. The reasons for these deviations were documented and reported to the accounting officer who considered them and subsequently approved the deviation from the normal supply chain management regulations. Refer to **Annexure H** for more details

Deviations approved in terms of section 12(1)(d)(i)	<b>2,186,813</b>	<b>5,237,484</b>
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### 57. Distribution losses

Electricity losses 29% (2014: 25%) Kilo watts	29,861,035	24,997,613
Water losses 19% (2014: 19%) Kilo litres	1,208,543	1,091,422
	<b>31,069,578</b>	<b>26,089,035</b>

The summary of electricity losses for the year is 29% made up of purchases of 101,873,038 kilo watts and sales of 72,012,003 kilo watts, resulting in a loss of 29,861,035 kilo watts. The summary of water losses for the year is 19% made up of purchases of 6,221,569 kilo litres and sales of 5,013,026 kilo litres resulting in a loss of 1,208,543 kilo litres.

### 58. Events after the reporting date

There were no subsequent events which arose after the reporting date.

# Westonaria Local Municipality

Annual Financial Statements for the year ended June 30, 2015

## Notes to the Annual Financial Statements

Figures in Rand	2015	2014
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### 59. Budget differences

#### Material differences between budget and actual amounts

The excess of actual expenditure over the final budget of 308% for budget and treasury office was due to impairment of property rates which were billed to various mines in 2014/2015 financial period (refer to note 43 on contingencies). There were also non-cash interest cost on define benefit plan and landfill site rehabilitation which was not budgeted for.

The excess of actual expenditure over the final budget of 193% for electricity section was due to interest on late payments on long outstanding Eskom account. Arrangement has been made with Eskom to settle the long outstanding amount. The municipality is also experiencing huge electricity losses hence actual expenditure exceeding final budget with 102% (refer to note 56 on distribution losses)

There was operational expenditure incurred on previously unspent government grants and it was not budgeted for.

There were no other material differences between the final budget and the actual amounts.

**Westonaria Local Municipality**  
**Appendix A**

**Schedule of external loans as at 30 June 2014**

Loan Number	Redeemable	Balance at Monday, June 30, 2014	Received during the period	Redeemed written off during the period	Balance at Tuesday, June 30, 2015	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
		Rand	Rand	Rand	Rand		
<b>Loan Stock</b>							
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
<b>Structured loans</b>							
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
<b>Funding facility</b>							
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
		-	-	-	-	-	-
<b>Development Bank of South Africa</b>							
DBSA @ 8.5%	10506/102	30/06/2017	1,837,461	-	671,589	1,165,872	-
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-

**Westonaria Local Municipality**  
**Appendix A**

**Schedule of external loans as at 30 June 2014**

Loan Number	Redeemable		Balance at Monday, June 30, 2014	Received during the period	Redeemed written off during the period	Balance at Tuesday, June 30, 2015	Carrying Value of Property, Plant & Equip Rand	Other Costs in accordance with the MFMA Rand
			Rand	Rand	Rand	Rand		
			-	-	-	-	-	-
			<b>1,837,461</b>	-	<b>671,589</b>	<b>1,165,872</b>	-	-
<b>Bonds</b>								
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other loans</b>								
Standard bank @ 9.85%	STD BANK	01/09/2017	10,264,660	-	2,657,606	7,607,054	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			<b>10,264,660</b>	<b>-</b>	<b>2,657,606</b>	<b>7,607,054</b>	<b>-</b>	<b>-</b>
<b>Lease liability</b>								
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			-	-	-	-	-	-
			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Annuity loans</b>								
INCA West 01-0004 @ 13.27%	West 01-0004	30/06/2014	-	-	-	-	-	-
INCA West 01-0005 @ 10.61%	West 01-0005	31/12/2015	668,651	-	402,538	266,113	-	-

**Westonaria Local Municipality**  
**Appendix A**

**Schedule of external loans as at 30 June 2014**

Loan Number	Redeemable	Balance at Monday, June 30, 2014	Received during the period	Redeemed written off during the period	Balance at Tuesday, June 30, 2015	Carrying Value of Property, Plant & Equip	Other Costs in accordance with the MFMA
		Rand	Rand	Rand	Rand	Rand	Rand
INCA West 01-0008 @11.11%	West 01-0008	30/06/2017	1,246,451	-	403,169	843,282	-
INCA West 01-0009 @ 13.36%	West 01-0009	30/06/2018	2,994,796	-	610,478	2,384,318	-
INCA West 01-0011 @ 13.79%	West 01-0011	30/08/2015	2,116,070	-	1,663,372	452,698	-
			<b>7,025,968</b>	<b>-</b>	<b>3,079,557</b>	<b>3,946,411</b>	<b>-</b>
<b>Government loans</b>							
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
<b>Total external loans</b>							
Loan Stock			-	-	-	-	-
Structured loans			-	-	-	-	-
Funding facility			-	-	-	-	-
Development Bank of South Africa			1,837,461	-	671,589	1,165,872	-
Bonds			-	-	-	-	-
Other loans			10,264,660	-	2,657,606	7,607,054	-
Lease liability			-	-	-	-	-
Annuity loans			7,025,968	-	3,079,557	3,946,411	-
Government loans			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
			-	-	-	-	-
			<b>19,128,089</b>	<b>-</b>	<b>6,408,752</b>	<b>12,719,337</b>	<b>-</b>



## Appendix B

### Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation							Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

#### Land and buildings

Land (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Infrastructure

Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastrucur)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Community Assets

Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

#### Heritage assets

Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Specialised vehicles

Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Other assets

General vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2012

Cost/Revaluation							Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

#### Total property plant and equipment

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Agricultural/Biological assets

Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Intangible assets

Computers - software & programming	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Investment properties

Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Total

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation							Accumulated depreciation						
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

#### Land and buildings

Land (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Landfill Sites (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Quarries (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings (Separate for AFS purposes)	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Infrastructure

Roads, Pavements & Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water	-	-	-	-	-	-	-	-	-	-	-	-	-
Generation	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	-	-	-	-	-	-
Dams & Reservoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Water purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage purification	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation (Airports, Car Parks, Bus Terminals and Taxi Ranks)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-
Gas	-	-	-	-	-	-	-	-	-	-	-	-	-
Other (fibre optic, WIFI infrastrucur)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other 1	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Community Assets

Parks & gardens	-	-	-	-	-	-	-	-	-	-	-	-	-
Sportsfields and stadium	-	-	-	-	-	-	-	-	-	-	-	-	-
Swimming pools	-	-	-	-	-	-	-	-	-	-	-	-	-
Community halls	-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreational facilities	-	-	-	-	-	-	-	-	-	-	-	-	-
Clinics	-	-	-	-	-	-	-	-	-	-	-	-	-
Museums & art galleries	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Social rental housing	-	-	-	-	-	-	-	-	-	-	-	-	-
Cemeteries	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency	-	-	-	-	-	-	-	-	-	-	-	-	-
Security and policing	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

#### Heritage assets

Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Specialised vehicles

Refuse	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-	-	-	-	-	-	-
Conservancy	-	-	-	-	-	-	-	-	-	-	-	-	-
Ambulances	-	-	-	-	-	-	-	-	-	-	-	-	-
Buses	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Other assets

General vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Software (part of computer equipment)	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Equipment - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-	-	-	-
Security measures	-	-	-	-	-	-	-	-	-	-	-	-	-
Civic land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Other land	-	-	-	-	-	-	-	-	-	-	-	-	-
Bins and Containers	-	-	-	-	-	-	-	-	-	-	-	-	-
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets - Leased	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing development	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

## Appendix B

### Analysis of property, plant and equipment as at 30 June 2011

Cost/Revaluation						Accumulated depreciation							
Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Revaluations Rand	Other changes, movements Rand	Closing Balance Rand	Opening Balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Impairment loss Rand	Closing Balance Rand	Carrying value Rand

#### Total property plant and equipment

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Agricultural/Biological assets

Agricultural	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Intangible assets

Computers - software & programming	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Investment properties

Investment property	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Total

Land and buildings	-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural/Biological assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-	-

## Appendix D

	Prior Year	Current Year
Segmental Statement of Financial Performance for the year ended		

[illegible]

## Appendix D

### Segmental Statement of Financial Performance for the year ended Prior Year Current Year

Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand	Rand	Actual Income Rand	Actual Expenditure Rand	Surplus /(Deficit) Rand
522,957,000	577,182,575	(54,225,575)		760,984,234	723,675,601	37,308,633
Municipal Owned Entities						
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
Other charges						
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
522,957,000	577,182,575	(54,225,575)	Municipality	760,984,234	723,675,601	37,308,633
-	-	-	- Municipal Owned Entities	-	-	-
-	-	-	- Other charges	-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
-	-	-		-	-	-
522,957,000	577,182,575	(54,225,575)	Total	760,984,234	723,675,601	37,308,633



## Appendix E(2)

## Budget Analysis of Capital Expenditure as at 30 June 2014

[illegible]

**Appendix F**  
**Disclosures of Grants and Subsidies in terms of Section 123 MFMA, 56 of 2003**

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts			Quarterly Expenditure				Grants and Subsidies delayed / withheld		Reason for delay/withholding of funds	D m li th co to fr R Y
		Sep	Dec	Mar	Sep	Dec	Mar	Jun	Jun	Jun		
Municipal Infrastructure grant	Department Cooperative Governance and Traditional Affairs	15,055,000	19,555,000	16,732,000	2,346,000	10,200,000	13,780,000	25,016,000	-	-		
Infrastructure Skills development grant	Department Cooperative Governance and Traditional Affairs	1,500,000	500,000	-	946,806	946,806	946,806	1,884,521	-	-		
Municipal Systems Improvement Grant	National Treasury	934,000	-	-	233,500	233,500	233,500	233,500	-	-		
Integrated Electrification Programme	Energy	7,000,000	-	-	-	7,000,000	-	-	-	-		
Department of arts and culture Library grant		2,980,000	-	-	745,000	745,000	745,000	745,000	-	-		
Extended public works programme		580,000	-	-	-	-	580,000	-	-	-		
Gauteng pronial health Equitable share		669,000	670,000	892,000	557,750	557,750	557,750	557,750	-	-		
		535,594	-	357,056	379,030	379,030	379,030	409,078	-	-		
		45,013,000	31,554,000	37,151,000	28,429,500	28,429,500	28,429,500	28,429,500	-	-		

Financial Management Grant	National Treasury	1,450,000	-	-	362,500	362,500	362,500	362,500	-	-
		<u>75,716,594</u>	<u>52,279,000</u>	<u>55,132,056</u>	<u>34,000,086</u>	<u>48,854,086</u>	<u>46,014,086</u>	<u>57,637,849</u>	<u>-</u>	<u>-</u>

Note: A municipality should provide additional information on how a grant was spent per Vote. This excludes allocations from the Equitable Share.

# Westonaria Local Municipality

## Appendix G1

### Budgeted Financial Performance (revenue and expenditure by standard classification) for the year ended June 30, 2015

	2015/2014							2014/2013							
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget Rand	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand		Rand	Rand	Rand	Rand	Rand	Rand
Revenue - Standard															
Governance and administration	226,632,000	131,796,000	358,428,000	-		358,428,000	470,585,763		112,157,763	131 %	208 %				305,149,000
Executive and council	7,265,000	(6,566,000)	699,000	-		699,000	1,255,140		556,140	180 %	17 %				98,216,000
Budget and treasury office	216,386,000	141,000,000	357,386,000	-		357,386,000	468,898,585		111,512,585	131 %	217 %				206,933,000
Corporate services	2,981,000	(2,638,000)	343,000	-		343,000	432,038		89,038	126 %	14 %				-
Community and public safety	11,729,000	(17,000)	11,712,000	-		11,712,000	8,301,913		(3,410,087)	71 %	71 %				37,851,000
Community and social services	4,019,000	(244,000)	3,775,000	-		3,775,000	3,827,421		52,421	101 %	95 %				3,234,000
Sport and recreation	250,000	(222,000)	28,000	-		28,000	32,388		4,388	116 %	13 %				18,000
Public safety	7,400,000	(414,000)	6,986,000	-		6,986,000	2,925,985		(4,060,015)	42 %	40 %				33,646,000
Housing	60,000	863,000	923,000	-		923,000	-		(923,000)	- %	- %				-
Health	-	-	-	-		-	1,516,119		1,516,119	DIV/0 %	DIV/0 %				953,000
Economic and environmental services	6,599,000	(4,032,000)	2,567,000	-		2,567,000	8,148,926		5,581,926	317 %	123 %				11,953,000
Planning and development	27,000	2,540,000	2,567,000	-		2,567,000	507,496		(2,059,504)	20 %	1,880 %				3,844,000
Road transport	6,572,000	(6,572,000)	-	-		-	7,641,430		7,641,430	DIV/0 %	116 %				-
Environmental protection	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				8,109,000
Trading services	229,295,000	20,828,000	250,123,000	-		250,123,000	273,947,632		23,824,632	110 %	119 %				168,004,000
Electricity	86,500,000	-	86,500,000	-		86,500,000	92,492,090		5,992,090	107 %	107 %				72,352,000
Water	111,632,000	11,936,000	123,568,000	-		123,568,000	139,482,761		15,914,761	113 %	125 %				83,412,000
Waste water management	16,132,000	8,194,000	24,326,000	-		24,326,000	25,661,995		1,335,995	105 %	159 %				12,240,000
Waste management	15,031,000	698,000	15,729,000	-		15,729,000	16,310,786		581,786	104 %	109 %				-
Other	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Other	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Total Revenue - Standard	474,255,000	148,575,000	622,830,000	-		622,830,000	760,984,234		138,154,234	122 %	160 %				522,957,000

# Westonaria Local Municipality

## Appendix G1

### Budgeted Financial Performance (revenue and expenditure by standard classification) for the year ended June 30, 2015

	2015/2014								2014/2013						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget Rand	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand		Rand	Rand	Rand	Rand	Rand	Rand
Expenditure - Standard															
Governance and administration	207,144,000	(26,283,000)	180,861,000	-	-	180,861,000	416,699,243	-	235,838,243	230 %	201 %	-	-	-	199,833,575
Executive and council	74,229,000	(25,928,000)	48,301,000	-	-	48,301,000	28,378,328	-	(19,922,672)	59 %	38 %	-	-	-	34,865,000
Budget and treasury office	93,101,000	3,770,000	96,871,000	-	-	96,871,000	353,006,006	-	256,135,006	364 %	379 %	-	-	-	164,968,575
Corporate services	39,814,000	(4,125,000)	35,689,000	-	-	35,689,000	35,314,909	-	(374,091)	99 %	89 %	-	-	-	-
Community and public safety	32,718,000	18,452,000	51,170,000	-	-	51,170,000	43,305,038	-	(7,864,962)	85 %	132 %	-	-	-	63,026,000
Community and social services	13,447,000	14,418,000	27,865,000	-	-	27,865,000	14,600,810	-	(13,264,190)	52 %	109 %	-	-	-	43,949,000
Sport and recreation	3,373,000	284,000	3,657,000	-	-	3,657,000	3,012,581	-	(644,419)	82 %	89 %	-	-	-	2,904,000
Public safety	11,320,000	4,368,000	15,688,000	-	-	15,688,000	21,263,228	-	5,575,228	136 %	188 %	-	-	-	13,025,000
Housing	2,100,000	(310,000)	1,790,000	-	-	1,790,000	1,826,951	-	36,951	102 %	87 %	-	-	-	1,240,000
Health	2,478,000	(308,000)	2,170,000	-	-	2,170,000	2,601,468	-	431,468	120 %	105 %	-	-	-	1,908,000
Economic and environmental services	58,736,000	(8,667,000)	50,069,000	-	-	50,069,000	21,448,702	-	(28,620,298)	43 %	37 %	-	-	-	41,207,000
Planning and development	5,306,000	3,316,000	8,622,000	-	-	8,622,000	7,892,179	-	(729,821)	92 %	149 %	-	-	-	16,743,000
Road transport	2,918,000	38,529,000	41,447,000	-	-	41,447,000	13,556,523	-	(27,890,477)	33 %	465 %	-	-	-	10,721,000
Environmental protection	50,512,000	(50,512,000)	-	-	-	-	-	-	-	DIV/0 %	- %	-	-	-	13,743,000
Trading services	271,298,000	10,575,000	281,873,000	-	-	281,873,000	242,222,618	-	(39,650,382)	86 %	89 %	-	-	-	273,116,000
Electricity	97,012,000	6,638,000	103,650,000	-	-	103,650,000	94,044,029	-	(9,605,971)	91 %	97 %	-	-	-	101,244,000
Water	131,459,000	(2,408,000)	129,051,000	-	-	129,051,000	117,140,397	-	(11,910,603)	91 %	89 %	-	-	-	161,389,000
Waste water management	29,996,000	2,821,000	32,817,000	-	-	32,817,000	10,272,102	-	(22,544,898)	31 %	34 %	-	-	-	10,483,000
Waste management	12,831,000	3,524,000	16,355,000	-	-	16,355,000	20,766,090	-	4,411,090	127 %	162 %	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Total Expenditure - Standard	569,896,000	(5,923,000)	563,973,000	-	-	563,973,000	723,675,601	-	159,702,601	128 %	127 %	-	-	-	577,182,575
Surplus/(Deficit) for the year	(95,641,000)	154,498,000	58,857,000	-		58,857,000	37,308,633		(21,548,367)	63 %	(39)%				(54,225,575)

**Westonaria Local Municipality**  
**Appendix G2**  
**Budgeted Financial Performance (revenue and expenditure by municipal vote)**  
**for the year ended June 30, 2015**

2015/2014											2014/2013			
Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget Rand	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Revenue by Vote</b>														
Executive council - Vote 1	7,265,000	(6,566,000)	699,000	-	699,000	1,255,140		556,140	180 %	17 %				98,216,000
Budget and Treasury Vote 2	216,386,000	141,000,000	357,386,000	-	357,386,000	468,898,585		111,512,585	131 %	217 %				206,933,000
Corporate Services - Vote 3	2,981,000	(2,638,000)	343,000	-	343,000	432,038		89,038	126 %	14 %				-
Community Services - Vote 4	4,019,000	(244,000)	3,775,000	-	3,775,000	3,827,421		52,421	101 %	95 %				3,234,000
Sports and recreation - Vote 5	250,000	(222,000)	28,000	-	28,000	32,388		4,388	116 %	13 %				18,000
Public Safety - Vote 6	7,400,000	(414,000)	6,986,000	-	6,986,000	2,925,985		(4,060,015)	42 %	40 %				33,646,000
Housing - Vote 7	60,000	863,000	923,000	-	923,000	-		(923,000)	- %	- %				-
Health - Vote 8	-	-	-	-	-	1,516,119		1,516,119	DIV/0 %	DIV/0 %				953,000
Planning and Development - Vote 9	27,000	2,540,000	2,567,000	-	2,567,000	507,496		(2,059,504)	20 %	1,880 %				-
Roads and Transport - Vote 10	6,572,000	(6,572,000)	-	-	-	7,641,430		7,641,430	DIV/0 %	116 %				3,844,000
Environmental protection - Vote 11	-	-	-	-	-	-		-	DIV/0 %	DIV/0 %				8,109,000
Electricity - Vote 12	86,500,000	-	86,500,000	-	86,500,000	92,492,090		5,992,090	107 %	107 %				72,352,000
Water - Vote 13	111,632,000	11,936,000	123,568,000	-	123,568,000	139,482,761		15,914,761	113 %	125 %				83,412,000
Water and Water waste management - Vote 14	16,132,000	8,194,000	24,326,000	-	24,326,000	25,661,995		1,335,995	105 %	159 %				12,240,000
Waste management - Vote 15	15,031,000	698,000	15,729,000	-	15,729,000	16,310,786		581,786	104 %	109 %				-
<b>Total Revenue by Vote</b>	<b>474,255,000</b>	<b>148,575,000</b>	<b>622,830,000</b>	<b>-</b>	<b>622,830,000</b>	<b>760,984,234</b>		<b>138,154,234</b>	<b>122 %</b>	<b>160 %</b>				<b>522,957,000</b>
<b>Expenditure by Vote to be appropriated</b>														
Executive council - Vote 1	74,229,000	(25,928,000)	48,301,000	-	48,301,000	28,378,328	-	(19,922,672)	59 %	38 %	-	-	-	34,865,000
Budget and Treasury Vote 2	93,101,000	3,770,000	96,871,000	-	96,871,000	353,006,006	-	256,135,006	364 %	379 %	-	-	-	164,968,575
Corporate Services - Vote 3	39,814,000	(4,125,000)	35,689,000	-	35,689,000	35,314,909	-	(374,091)	99 %	89 %	-	-	-	-
Community Services - Vote 4	13,447,000	14,418,000	27,865,000	-	27,865,000	14,600,810	-	(13,264,190)	52 %	109 %	-	-	-	43,949,000
Sports and recreation - Vote 5	3,373,000	284,000	3,657,000	-	3,657,000	3,012,581	-	(644,419)	82 %	89 %	-	-	-	2,904,000
Public Safety - Vote 6	11,320,000	4,368,000	15,688,000	-	15,688,000	21,263,228	-	5,575,228	136 %	188 %	-	-	-	13,025,000
Housing - Vote 7	2,100,000	(310,000)	1,790,000	-	1,790,000	1,826,951	-	36,951	102 %	87 %	-	-	-	1,240,000
Health - Vote 8	2,478,000	(308,000)	2,170,000	-	2,170,000	2,601,468	-	431,468	120 %	105 %	-	-	-	1,908,000
Planning and Development - Vote 9	5,306,000	3,316,000	8,622,000	-	8,622,000	7,892,179	-	(729,821)	92 %	149 %	-	-	-	16,743,000
Roads and Transport - Vote 10	2,918,000	38,529,000	41,447,000	-	41,447,000	13,556,523	-	(27,890,477)	33 %	465 %	-	-	-	10,721,000
Environmental protection - Vote 11	50,512,000	(50,512,000)	-	-	-	-	-	-	DIV/0 %	- %	-	-	-	13,743,000
Electricity - Vote 12	97,012,000	6,638,000	103,650,000	-	103,650,000	94,044,029	-	(9,605,971)	91 %	97 %	-	-	-	101,244,000
Water - Vote 13	131,459,000	(2,408,000)	129,051,000	-	129,051,000	117,140,397	-	(11,910,603)	91 %	89 %	-	-	-	161,389,000
Water and Water waste management - Vote 14	29,996,000	2,821,000	32,817,000	-	32,817,000	10,272,102	-	(22,544,898)	31 %	34 %	-	-	-	10,483,000
Waste management - Vote 15	12,831,000	3,524,000	16,355,000	-	16,355,000	20,766,090	-	4,411,090	127 %	162 %	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>569,896,000</b>	<b>(5,923,000)</b>	<b>563,973,000</b>	<b>-</b>	<b>563,973,000</b>	<b>723,675,601</b>	<b>-</b>	<b>159,702,601</b>	<b>128 %</b>	<b>127 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>577,182,575</b>
<b>Surplus/(Deficit) for the year</b>	<b>(95,641,000)</b>	<b>154,498,000</b>	<b>58,857,000</b>	<b>-</b>	<b>58,857,000</b>	<b>37,308,633</b>		<b>(21,548,367)</b>	<b>63 %</b>	<b>(39)%</b>				<b>(54,225,575)</b>

**Westonaria Local Municipality**  
**Appendix G3**  
**Budgeted Financial Performance (revenue and expenditure)**  
**for the year ended June 30, 2015**

	2015/2014								2014/2013						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget Rand	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand		Rand	Rand	Rand	Rand	Rand	Rand
Revenue By Source															
Property rates	62,195,000	141,000,000	203,195,000	-		203,195,000	265,311,461		62,116,461	131 %	427 %				27,647,144
Property rates - penalties & collection charges	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Service charges - electricity revenue	86,500,000	-	86,500,000	-		86,500,000	90,838,332		4,338,332	105 %	105 %				76,693,045
Service charges - water revenue	111,632,000	11,936,000	123,568,000	-		123,568,000	166,608,552		43,040,552	135 %	149 %				126,799,930
Service charges - sanitation revenue	16,132,000	8,194,000	24,326,000	-		24,326,000	-		(24,326,000)	- %	- %				-
Service charges - refuse revenue	15,031,000	698,000	15,729,000	-		15,729,000	16,310,786		581,786	104 %	109 %				9,556,975
Service charges - other	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Rental of facilities and equipment	423,000	(244,000)	179,000	-		179,000	973,213		794,213	544 %	230 %				354,731
Interest earned - external investments	500,000	-	500,000	-		500,000	1,539,451		1,039,451	308 %	308 %				1,211,552
Interest earned - outstanding debtors	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Dividends received	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Fines	7,400,000	(414,000)	6,986,000	-		6,986,000	2,877,143		(4,108,857)	41 %	39 %				23,578,357
Licences and permits	5,500,000	(5,500,000)	-	-		-	29,021		29,021	DIV/0 %	1 %				263
Agency services	5,886,000	(5,886,000)	-	-		-	-		-	DIV/0 %	- %				-
Transfers recognised - operational	125,884,000	-	125,884,000	-		125,884,000	198,880,403		72,996,403	158 %	158 %				111,380,907
Other revenue	37,173,000	(1,208,000)	35,965,000	-		35,965,000	10,489,340		(25,475,660)	29 %	28 %				50,911,520
Gains on disposal of PPE	-	-	-	-		-	4,077,015		4,077,015	DIV/0 %	DIV/0 %				-
Total Revenue (excluding capital transfers and contributions)	474,256,000	148,576,000	622,832,000	-		622,832,000	757,934,717		135,102,717	122 %	160 %				428,134,424

**Westonaria Local Municipality**  
**Appendix G3**  
**Budgeted Financial Performance (revenue and expenditure)**  
**for the year ended June 30, 2015**

2015/2014										2014/2013					
Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome	
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	
Expenditure By Type															
Employee related costs	136,495,000	-	136,495,000	-	-	136,495,000	134,193,933	-	(2,301,067)	98 %	98 %	-	-	-	125,492,276
Remuneration of councillors	11,626,000	-	11,626,000	-	-	11,626,000	10,723,798	-	(902,202)	92 %	92 %	-	-	-	10,215,718
Debt impairment	75,000,000	-	75,000,000		-	75,000,000	231,043,393	-	156,043,393	308 %	308 %	-	-	-	57,928,451
Depreciation & asset impairment	117,500,000	-	117,500,000	-	-	117,500,000	70,045,756	-	(47,454,244)	60 %	60 %	-	-	-	53,288,634
Finance charges	1,836,000	-	1,836,000	-	-	1,836,000	10,815,712	-	8,979,712	589 %	589 %	-	-	-	12,255,100
Bulk purchases	173,807,000	6,638,000	180,445,000	-	-	180,445,000	184,158,908	-	3,713,908	102 %	106 %	-	-	-	182,409,452
Other materials	455,000	-	455,000	-	-	455,000	-	-	(455,000)	- %	- %	-	-	-	-
Contracted services	14,900,000	5,000,000	19,900,000	-	-	19,900,000	21,174,015	-	1,274,015	106 %	142 %	-	-	-	21,221,765
Interest costs	-	-	-	-	-	-	8,689,343	-	8,689,343	DIV/0 %	DIV/0 %	-	-	-	6,680,432
Other expenditure	38,277,000	(21,326,000)	16,951,000	-	-	16,951,000	55,128,210	-	38,177,210	325 %	144 %	-	-	-	14,042,693
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Total Expenditure	569,896,000	(9,688,000)	560,208,000	-	-	560,208,000	725,973,068	-	165,765,068	130 %	127 %	-	-	-	483,534,521
Surplus/(Deficit)	(95,640,000)	158,264,000	62,624,000	-		62,624,000	31,961,649		(30,662,351)	51 %	(33)%				(55,400,097)
Transfers recognised - capital	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Contributions recognised - capital	-	-	-	-	-	-	8,887,527		8,887,527	DIV/0 %	DIV/0 %				5,685,382
Contributed assets	-	-	-	-	-	-	-		-	DIV/0 %	DIV/0 %				-
Surplus/(Deficit) after capital transfers & contributions	(95,640,000)	158,264,000	62,624,000	-		62,624,000	40,849,176		(21,774,824)	65 %	(43)%				(49,714,715)
Taxation	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Surplus/(Deficit) after taxation	(95,640,000)	158,264,000	62,624,000	-		62,624,000	40,849,176		(21,774,824)	65 %	(43)%				(49,714,715)
Attributable to minorities	-	-	-	-		-	-		-	DIV/0 %	DIV/0 %				-
Surplus/(Deficit) attributable to municipality	(95,640,000)	158,264,000	62,624,000	-		62,624,000	40,849,176		(21,774,824)	65 %	(43)%				(49,714,715)
Actuarial gains/ (losses)	-	-	-	-		-	7,864,075		7,864,075	DIV/0 %	DIV/0 %				(4,510,860)
Surplus/(Deficit) for the year	(95,640,000)	158,264,000	62,624,000	-		62,624,000	48,713,251		(13,910,749)	78 %	(51)%				(54,225,575)



# Westonaria Local Municipality

## Appendix G4

### Budgeted Capital Expenditure by vote, standard classification and funding for the year ended June 30, 2015

	2015/2014								2014/2013						
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget Rand	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Capital multi-year expenditure sub- total</b>	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
<b>Single-year expenditure</b>															
Executive and council - Vote 1	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Budget and treasury - Vote 2	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Corporate services - Vote 3	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Community services - Vote 4	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Sports and recreation - Vote 5	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Public safety - Vote 6	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Housing - Vote 7	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Health - Vote 8	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Planning and development - Vote 9	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Roads and transport - Vote 10	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Environmental protection - Vote 11	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Electricity - Vote 12	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Water - Vote 13	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Water and waste management - Vote 14	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Wastemanagement - Vote 15	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
<b>Capital single-year expenditure sub- total</b>	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
<b>Total Capital Expenditure - Vote</b>	-	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-

**Westonaria Local Municipality**  
**Appendix G4**  
**Budgeted Capital Expenditure by vote, standard classification and funding**  
**for the year ended June 30, 2015**

2015/2014										2014/2013				
Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved policy)	Final Budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand	Rand
<b>Capital Expenditure - Standard</b>														
<b>Governance and administration</b>	<b>1,510,000</b>	<b>970,000</b>	<b>2,480,000</b>	-	-	<b>2,480,000</b>	<b>2,468,000</b>	-	<b>(12,000)</b>	<b>100 %</b>	<b>163 %</b>	-	-	<b>3,105,000</b>
Executive and council	30,000	-	30,000	-	-	30,000	18,000	-	(12,000)	60 %	60 %	-	-	3,105,000
Budget and treasury office	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Corporate services	1,480,000	970,000	2,450,000	-	-	2,450,000	2,450,000	-	100 %	166 %	-	-	-	-
<b>Community and public safety</b>	<b>21,462,000</b>	<b>(6,659,000)</b>	<b>14,803,000</b>	-	-	<b>14,803,000</b>	<b>14,803,000</b>	-	<b>100 %</b>	<b>69 %</b>	-	-	-	<b>21,099,000</b>
Community and social services	6,080,000	(1,338,000)	4,742,000	-	-	4,742,000	4,742,000	-	100 %	78 %	-	-	-	600,000
Sport and recreation	15,382,000	(5,321,000)	10,061,000	-	-	10,061,000	10,061,000	-	100 %	65 %	-	-	-	15,947,000
Public safety	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	101,000
Housing	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	4,451,000
Health	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
<b>Economic and environmental services</b>	<b>10,100,000</b>	<b>5,538,000</b>	<b>15,638,000</b>	-	-	<b>15,638,000</b>	<b>15,638,000</b>	-	<b>100 %</b>	<b>155 %</b>	-	-	-	<b>13,816,000</b>
Planning and development	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
Road transport	-	15,638,000	15,638,000	-	-	15,638,000	15,638,000	-	100 %	DIV/0 %	-	-	-	-
Environmental protection	10,100,000	(10,100,000)	-	-	-	-	-	-	DIV/0 %	- %	-	-	-	13,816,000
<b>Trading services</b>	<b>51,136,000</b>	<b>(4,180,000)</b>	<b>46,956,000</b>	-	-	<b>46,956,000</b>	<b>44,048,440</b>	<b>(2,907,560)</b>	<b>94 %</b>	<b>86 %</b>	-	-	-	<b>39,774,000</b>
Electricity	29,259,000	(4,735,000)	24,524,000	-	-	24,524,000	22,266,440	(2,257,560)	91 %	76 %	-	-	-	13,325,000
Water	-	379,000	379,000	-	-	379,000	379,000	-	100 %	DIV/0 %	-	-	-	23,978,000
Waste water management	21,877,000	(8,053,000)	13,824,000	-	-	13,824,000	13,824,000	-	100 %	63 %	-	-	-	2,471,000
Waste management	-	8,229,000	8,229,000	-	-	8,229,000	7,579,000	(650,000)	92 %	DIV/0 %	-	-	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>DIV/0 %</b>	<b>DIV/0 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other	-	-	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-	-	-	-
<b>Total Capital Expenditure - Standard</b>	<b>84,208,000</b>	<b>(4,331,000)</b>	<b>79,877,000</b>	<b>-</b>	<b>-</b>	<b>79,877,000</b>	<b>76,957,440</b>	<b>(2,919,560)</b>	<b>96 %</b>	<b>91 %</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>77,794,000</b>
<b>Funded by:</b>														
National Government	62,113,000	-	62,113,000	-		62,113,000	62,113,000	-	100 %	100 %				72,282,000
Provincial Government	580,000	-	580,000	-		580,000	580,000	-	100 %	100 %				200,000
District Municipality	-	-	-	-		-	-	-	DIV/0 %	DIV/0 %				-
Other transfers and grants	7,000,000	-	7,000,000	-		7,000,000	7,000,000	-	100 %	100 %				-
<b>Transfers recognised - capital</b>	<b>69,693,000</b>	<b>-</b>	<b>69,693,000</b>	<b>-</b>	<b></b>	<b>69,693,000</b>	<b>69,693,000</b>	<b>-</b>	<b>100 %</b>	<b>100 %</b>	<b></b>	<b></b>	<b></b>	<b>72,482,000</b>
Public contributions & donations	-	-	-	-		-	-	-	DIV/0 %	DIV/0 %				-
Borrowing	-	-	-	-		-	-	-	DIV/0 %	DIV/0 %				2,565,000
Internally generated funds	14,516,000	(4,332,000)	10,184,000	-		10,184,000	7,264,440	(2,919,560)	71 %	50 %				2,747,000
<b>Total Capital Funding</b>	<b>84,209,000</b>	<b>(4,332,000)</b>	<b>79,877,000</b>	<b>-</b>	<b></b>	<b>79,877,000</b>	<b>76,957,440</b>	<b>(2,919,560)</b>	<b>96 %</b>	<b>91 %</b>	<b></b>	<b></b>	<b></b>	<b>77,794,000</b>

**Appendix G5  
Budgeted Cash Flows  
for the year ended June 30, 2015**

	2015/2014						2014		
	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Final Budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget Rand	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
	Rand	Rand	Rand	Rand	Rand		Rand	Rand	Rand
<b>Cash flow from operating activities</b>									
<b>Receipts</b>									
Ratepayers and other	313,341,000	725,000	314,066,000	314,066,000	356,055,474	41,989,474	113 %	114 %	325,733,194
Government - operating	115,325,711	-	115,325,711	115,325,711	115,325,711	-	100 %	100 %	136,250,460
Government - capital	69,113,000	-	69,113,000	69,113,000	69,113,000	-	100 %	100 %	72,829,312
Interest	500,000	-	500,000	500,000	1,544,727	1,044,727	309 %	309 %	1,211,552
Other income	-	-	-	-	6,419,104	6,419,104	DIV/0 %	DIV/0 %	2,135,177
<b>Payments</b>									
Suppliers and employees	(438,560,000)	38,584,000	(399,976,000)	(399,976,000)	(462,930,692)	(62,954,692)	116 %	106 %	(445,517,285)
Finance charges	(1,836,000)	-	(1,836,000)	(1,836,000)	(10,223,186)	(8,387,186)	557 %	557 %	(12,255,100)
Transfers and Grants	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
<b>Net cash flow from/used operating activities</b>	<b>57,883,711</b>	<b>39,309,000</b>	<b>97,192,711</b>	<b>97,192,711</b>	<b>75,304,138</b>	<b>(21,888,573)</b>	<b>77 %</b>	<b>130 %</b>	<b>80,387,310</b>
<b>Cash flow from investing activities</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
<b>Payments</b>									
Capital assets	(84,209,000)	4,332,000	(79,877,000)	(79,877,000)	(77,098,073)	2,778,927	97 %	92 %	(64,772,185)
<b>Net cash flow from/used investing activities</b>	<b>(84,209,000)</b>	<b>4,332,000</b>	<b>(79,877,000)</b>	<b>(79,877,000)</b>	<b>(77,098,073)</b>	<b>2,778,927</b>	<b>97 %</b>	<b>92 %</b>	<b>(64,772,185)</b>
<b>Cash flow from financing activities</b>									
<b>Receipts</b>									
Short term loans	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Borrowing long term/refinancing	-	-	-	-	-	-	DIV/0 %	DIV/0 %	-
Increase (decrease) in consumer deposits	324,000	-	324,000	324,000	569,260	245,260	176 %	176 %	-
<b>Payments</b>									
Repayment of borrowing	(7,395,000)	-	(7,395,000)	(7,395,000)	(6,407,144)	987,856	87 %	87 %	(7,773,765)
<b>Net cash flow from/used financing activities</b>	<b>(7,071,000)</b>	<b>-</b>	<b>(7,071,000)</b>	<b>(7,071,000)</b>	<b>(5,837,884)</b>	<b>1,233,116</b>	<b>83 %</b>	<b>83 %</b>	<b>(7,773,765)</b>
<b>Net increase/(decrease) in cash held</b>	<b>(33,396,289)</b>	<b>43,641,000</b>	<b>10,244,711</b>	<b>10,244,711</b>	<b>(7,631,819)</b>	<b>(17,876,530)</b>	<b>(74)%</b>	<b>23 %</b>	<b>7,841,360</b>
Cash/cash equivalents at the year begin:					40,654,673				759,478
<b>Cash/cash equivalents at the year end:</b>	<b>(33,396,289)</b>	<b>43,641,000</b>	<b>10,244,711</b>	<b>10,244,711</b>	<b>33,022,854</b>	<b>(17,876,530)</b>	<b>322 %</b>	<b>(99)%</b>	